

PETRONAS GAS BERHAD
198301006447 (101671-H)



PETRONAS



CATALYSING GROWTH
SHAPING TOMORROW

INTEGRATED REPORT 2024

ABOUT THIS REPORT

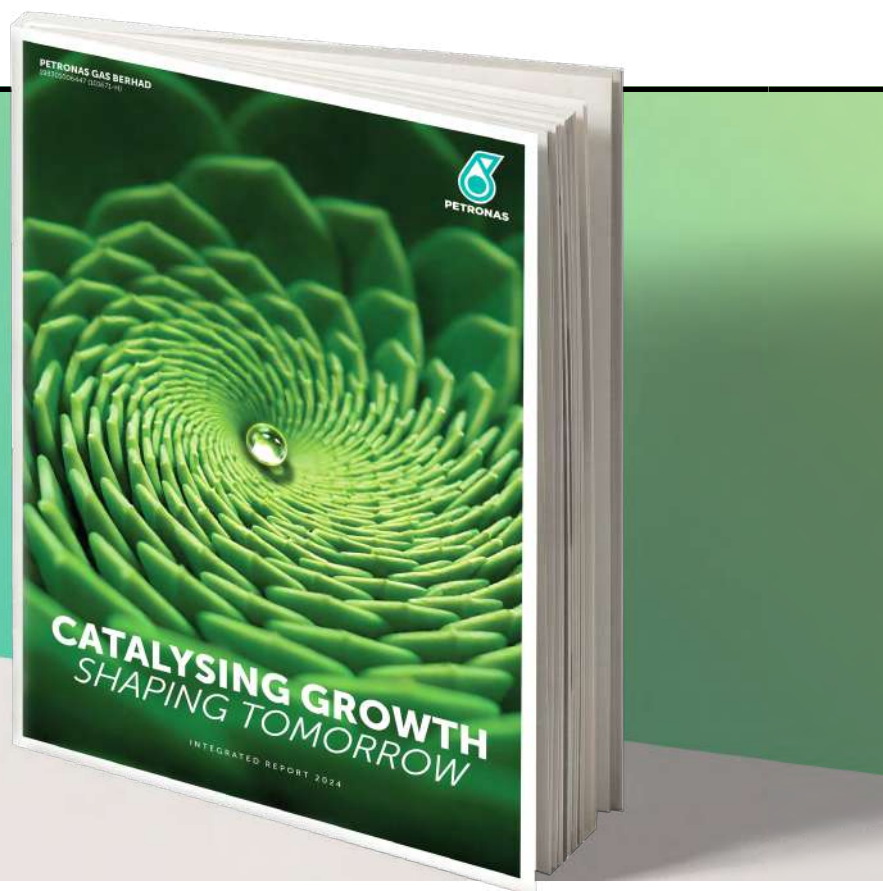
The cover design encapsulates "Catalysing Growth" through dynamic layers of vibrant green converging at the centre, symbolising PETRONAS Gas Berhad (PGB)'s interconnected operations working in harmony to drive impactful energy solutions.

At the heart of the design, a central droplet signifies PGB's catalytic role in transforming resources into energy, fuelling industries and economic progress. The bold green hues reinforce sustainability, reflecting PGB's commitment to responsible growth and operational excellence.

This visual concept highlights PGB's ability to integrate seamlessly, innovate continuously, and deliver efficient energy solutions, positioning it as a key enabler in Malaysia's evolving energy landscape.



Scan Me:
The full version of Integrated Report 2024 and Sustainability Report 2024 are available online, please visit through our website.



INTEGRATED REPORTING APPROACH

PETRONAS Gas Berhad (PGB or the Group) adopts an integrated reporting approach, seamlessly blending financial performance, business activities, and sustainability initiatives. Aligned with the Value Reporting Foundation's Framework, this approach ensures a comprehensive depiction of our operations and underscores our commitment to transparent communication and responsible corporate practices.

REGULATIONS COMPLIED

- Bursa Malaysia Main Market Listing Requirements
- Companies Act 2016
- Malaysian Code on Corporate Governance 2021
- Corporate Governance (4th Edition) issued by Bursa Malaysia
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards

SCOPE AND BOUNDARY OF REPORTING

This Report encompasses the core activities of the Group, detailing our business segments, subsidiaries, and joint venture operations. Its purpose is to fulfil the information needs of long-term investors. Additionally, we provide insights into how we generate value for other vital stakeholders, such as employees, customers, government agencies, authorities, suppliers, and communities.

This report covers the period from 1 January to 31 December 2024, unless otherwise stated.

RESTATEMENT OF INFORMATION

Specific data about our performance in 2023 have been restated in this Report due to actions taken to standardise our basis for calculating the data in question or a revised interpretation of the relevant data requirements.

OUR GOVERNANCE & SUSTAINABILITY APPROACH

Our Ability to Create and Protect Value

Our governance and sustainability approach promotes strategic decision-making with short-, medium-, and long-term outcomes to reconcile the interests of the Group and the society in our pursuit of sustainable value. Our governance framework supports the creation and protection of value in our activities, enabling ethical and effective leadership, corporate citizenship and sustainable organisation. Similarly, our sustainability framework reflects our concerted efforts to promote long-term value creation.

Read more about sustainability in our Sustainability Report.

APPROVAL BY THE BOARD

PGB Board of Directors recognises its duty to uphold the integrity of this Integrated Report. In the Board's assessment, the Report comprehensively addresses all material issues pertinent to the Group's value creation and accurately reflects the integrated performance of PGB Group. Prepared in accordance with the Value Reporting Foundation's Integrated Reporting Framework, this Report embodies our commitment to transparent and comprehensive reporting.

DATUK ADIF ZULKIFLI
Chairman

ABDUL AZIZ OTHMAN
Managing Director/Chief Executive Officer

OUR SIX CAPITALS

F	N	A	I	H	SR
Financial	Nature	Asset	Intellectual	Human	Social and Relationship
The pool of funds that is available to an organisation for use in the production of goods or the provision of services and obtained through financing, such as debt, equity or grants, or generated through operations or investments.	All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organisation.	Manufactured physical objects that are available to an organisation for use in the production of goods or the provision of services, including buildings, equipment and infrastructure.	Organisational, knowledge-based intangibles, including but not limited to intellectual property, such as patents, copyrights, software, rights, and licences.	People's competencies, capabilities, experiences, and motivations to innovate in alignment with an organisation's strategy.	The relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being.

NAVIGATION ICONS

- This icon tells you where you can find more information inside this report.
- This icon tells you where you can find more information on Sustainability Report.
- This icon tells you where you can find more information online.

Key Stakeholder Groups

- Investors and Funding Institutions
- Business Partners
- Employees and Unions
- Communities
- Customers
- Suppliers and Vendors
- Government Agencies and Authorities
- Media

Our Strategic Thrusts

- Operational Excellence
- Commercial Excellence
- Growth
- People, Systems and Culture

Material Matters

- Sustainable Value Creation
- Mitigating Climate Change
- Environmental Management
- Ensuring Water Security
- Biodiversity Impacts
- Occupational Safety and Health
- Talent Management
- Human Rights
- Supplier Social Impacts
- Equal Opportunity, Diversity and Inclusion
- Community Engagement
- Business Ethics and Transparency
- Cybersecurity and Data Privacy

Time Horizons for Value Creation

We categorise our strategic planning and performance evaluation across three time horizons:

- Short-term (1-5 years):** Focuses on immediate operational goals, regulatory compliance, and market responsiveness.
- Medium-term (5-15 years):** Encompasses business growth strategies, infrastructure development, and key investment milestones.
- Long-term (>15 years):** Aligns with sustainability commitments, industry transformation, and long-term stakeholder value creation.

This ensures clarity for stakeholders in assessing our strategies and objectives over different periods.

INTEGRATED REPORT

The Integrated Report stands as the paramount document for our stakeholders, eloquently presenting our distinctive value creation proposition and exemplary performance delivery.

SUSTAINABILITY REPORT

The Sustainability Report meticulously outlines our endeavours and steadfast commitment to foster a sustainable business strategically positioned for long-term success.

INSIDE THIS REPORT

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

Content List Search Link Previous Page Next Page

42ND

ANNUAL GENERAL MEETING OF PETRONAS GAS BERHAD

Date:

Wednesday,
10.00 a.m.
23 April 2025

Venue:

Taming Sari Grand Ballroom,
Royale Chulan Kuala Lumpur,
5 Jalan Conlay, Kuala Lumpur City Centre,
50450 Kuala Lumpur, Malaysia.

Refer pages 275 to 278 for more information about our Annual General Meeting.



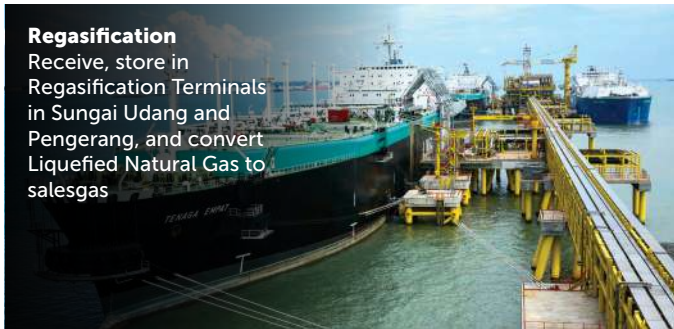
Gas Processing

Process PETRONAS' upstream natural gas from offshore Peninsular Malaysia into salesgas, ethane, propane and butane



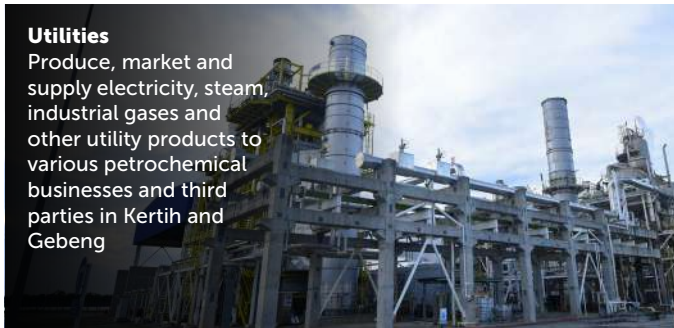
Gas Transportation

Transport salesgas, ethane, propane and butane to end-customers through Peninsular Gas Utilisation pipeline network



Regasification

Receive, store in Regasification Terminals in Sungai Udang and Pengerang, and convert Liquefied Natural Gas to salesgas



Utilities

Produce, market and supply electricity, steam, industrial gases and other utility products to various petrochemical businesses and third parties in Kertih and Gebeng

Guided by our vision of catalysing sustainable growth and shaping a better tomorrow, each section provides insights into how we are enhancing value for stakeholders, advancing our sustainability efforts, and strengthening our position in the industry.

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2024 KEY HIGHLIGHTS

Over the past year, PGB has delivered strong results and achieved growth driven by our four core businesses – Gas Processing, Gas Transportation, Regasification, and Utilities. By optimising operations and ensuring reliable product delivery, we have maximised value creation for shareholders. Concurrently, we have advanced our sustainability agenda, internal competencies and digitalisation across our businesses while strategically expanding our core businesses and pursuing high-impact growth projects to secure long-term stability and relevancy in the evolving energy landscape.

FINANCIAL HIGHLIGHTS



Revenue

RM6.5
billion

2023: RM6.4 billion



Profit After Tax

RM1.9
billion

2023: RM1.9 billion



EBITDA

RM3.4
billion

2023: RM3.3 billion



Dividend Declared

72.0
sen per share

2023: 72.0 sen per share



Total Assets

RM18.8
billion

2023: RM19.3 billion



Market Capitalisation

RM35.0
billion

2023: RM34.4 billion



Earnings Per Share

92.8
sen per share

2023: 92.0 sen per share



Total Equity

RM14.2
million

2023: RM 13.8 million



Closing Share Price

RM17.68

2023: RM17.40

For further details, please refer to the Financial Review section on page 64 of this Report.

2024 KEY HIGHLIGHTS

BUSINESS HIGHLIGHTS

Operational Excellence

- Maintained **100% Product Delivery Reliability** across salesgas, ethane, and electricity
- Achieved **above world-class Overall Equipment Effectiveness** across Gas Processing, Regasification, and Utilities segments



Health, Safety, Security, and Environment (HSE)

- Recorded **ZERO Fatality, Major Fire, Major Loss of Primary Containment and Major Security Incident**
- Strengthened safety measures** with targeted programmes to improve HSE outcomes



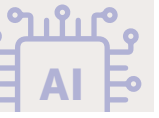
Strategic Growth

- Achieved Final Investment Decision** for infrastructure projects such as the construction and operation of an additional **100 MW Kimanis Power Plant in Sabah** and the installation of a **new compressor station at Jeram, Selangor**
- Completed **42 km gas pipeline to Pulau Indah Power Plant**
- Received **Initial Letter of Notification** for the development of a **120 MW power plant in the Federal Territory of Labuan**



Advancing Digital Technologies

- Leveraged Artificial Intelligence and Machine Learning to optimise fuel gas consumption and streamline operations via tools like **Utilities Gebeng Utility Optimiser** and **Gas Transmission Optimisation 2.0**
- Enhanced asset protection using advanced surveillance technology like **Distributed Acoustic Sensing 2.0** for virtual security fence and advanced corrosion inspection technology such as **Ultra Long-Range Acoustic Technology** on unpiggable pipeline
- Enhanced safety and regulatory compliance in work execution at all PGB sites through **Electronic Permit to Work+ 2.0, Integrated Process Safety Solution** and **Facial Recognition**



Building Capabilities and Culture

- Establishment of capability development programmes to **cultivate emerging skill sets** for growth-related projects
- Embarked on the **"Grow Our Own Timber"** initiative to strengthen succession planning
- 196 key employees** participated in leadership development courses under the Nurturing Young Leaders Programme
- Conducted targeted **sustainability and ethics training** for leaders, integrating sustainability into business strategies
- Achieved a **favourable score** in the PETRONAS Organisational Culture Survey 2024 and sustained this level of score for **three consecutive years**, reflecting a highly engaged workforce



For further details, please refer to the Business Review on pages 56 to 63 of this Report.

2024 KEY HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

SAFEGUARD THE ENVIRONMENT

Greenhouse Gas (GHG) Emissions

- Expanded our emissions disclosures to include Scope 3 (Categories 6 and 7) emissions data
- Achieved a **156,546 tonnes CO₂e reduction** in GHG emissions



Waste Management

- Established a **baseline data and management roadmap** on 4R principles of Reduce, Reuse, Recycle, and Recover
- Achieved **93%** 4R rate from **1,889 metric tonnes** of hazardous waste generated in 2024, exceeding our target of 61%



Water Management

- Established the **PGB Water Reduction and Management Roadmap**



POSITIVE SOCIAL IMPACT

Powering Knowledge

- Promoted **STEM** at schools via Discover PETRONAS at Schools programme, engaging with **450 secondary school students**
- Supported *asnaf* students from Sekolah Menengah Kebangsaan Kerteh and Sekolah Menengah Kebangsaan Rantau PETRONAS with Sijil Pelajaran Malaysia **resources and examination tutoring**



Uplifting Lives

- Formed a collaboration with Yayasan Hijau Malaysia to **support community education and adoption of solar power**
- Organised initiatives to celebrate main festivities and **provide aid for individuals in need**
- Held free market and back-to-school programmes to **assist communities in need**



Planting Tomorrow

- Planted **980 mangrove trees** in Kuala Selangor with **78** volunteers
- Collaboration with the Department of Environment Terengganu to **drive environmental awareness** through Hari Alam Sekitar Negara
- Collaboration with Pasir Gudang City Council to **promote mangrove conservation** through Mangrove Flourishing Programme



RESPONSIBLE GOVERNANCE

Task Force on Climate-Related Financial Disclosure (TCFD) Compliance

Addressed **full TCFD recommendations** a year ahead of Bursa Malaysia's timeline, preparing for International Sustainability Standards Board adoption.

FTSE4Good Rating



Environmental, Social, and Governance (ESG) disclosures contributed to an **increase in FTSE4Good** rating from 4.1 in 2023 to **4.7** in 2024.

The Edge Malaysia ESG Awards 2024



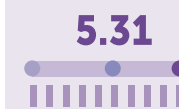
Proudly received the **Gold Award** in the Utilities Sector category in 2024. This milestone reflects our commitment to adapting swiftly to emerging ESG requirements and meeting stakeholders' disclosure expectations.

Reporting Awards



Achieved the **Gold Award** in the Integrated Annual Report & ESG Category at the Annual Reporting Awards 2024 and the **Silver Award** at the Australasian Reporting Awards 2024.

Bloomberg ESG Score



Improved ESG score from 4.37 in 2023 to **5.31** in 2024, surpassing the industry median.

AWARDS & RECOGNITION

The comprehensive list of external awards earned by each of our business segments in 2024 is detailed below.

Gas Processing

- National Council for Occupational Safety and Health Award 2024**
 - Warehouse Management Category - Tanjung Sulong Export Terminal

Regasification

- MSOSH Awards 2024**
 - Third Consecutive Grand Award - Regasification Terminal Sungai Udang and Regasification Terminal Pengerang (RGTP)

British Safety Council Award 2024

- Health and Safety Transformation Award - RGTP

RoSPA Health and Safety Award 2024

- Silver Award - RGTP

Gas Transportation

- MSOSH Awards 2024**
 - Grand Award - Shah Alam Regional Office and Gurun Regional Office
 - Gold Merit Award - Segamat Operation Centre
 - High Achiever Award - Gurun Regional Office

British Safety Council Award 2024

- Finalist Team of The Year Award - Pasir Gudang Regional Office

RoSPA Health and Safety Award 2024

- Gold Award - Kuantan Regional Office

Asian Experience Awards 2024

- Malaysia Product Experience of The Year in the Oil & Gas Category



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

WHO WE ARE

Malaysia's Leading Gas Infrastructure and Centralised Utilities Company and one of the largest companies on the local exchange in terms of market capitalisation, with core businesses in Gas Processing, Gas Transportation, Regasification and Utilities

STATEMENT OF PURPOSE

A Progressive Energy and Solutions Partner Enriching Lives for A Sustainable Future

SHARED VALUES

- Loyalty
- Professionalism
- Integrity
- Cohesiveness

HOW WE DIFFERENTIATE OURSELVES

- Our Profitable and Balanced Business Portfolio
- Our Integrated Gas Infrastructure and Utilities Facilities
- Our Operational Excellence and Reliable Product Delivery at Competitive Cost
- Our High-Performing People



CULTURAL BELIEFS



Customer Focused
I deliver solutions from the customer lens



Innovate Now
I challenge norms and push boundaries



Be Enterprising
I seek opportunities and make them happen



Speak Up
I express my views openly



Courage to Act
I take action to progress with pace

WHO WE ARE Corporate Structure

PETRONAS GAS BERHAD

SUBSIDIARY

REGAS TERMINAL (SG. UDANG) SDN. BHD.	RANCHA POWER SDN. BHD.	PENGERANG LNG (TWO) SDN. BHD.
PGB 100%	PG Energia Sdn. Bhd. 100%	PGB 65%
PG GAS PROCESSING SDN. BHD.	PG UTILITIES EAST SDN. BHD.	Dialog LNG Sdn. Bhd. 25%
PGB 100%	PG Energia Sdn. Bhd. 100%	Permodalan Darul Ta'zim Sdn. Bhd. 10%
PG ENERGIA SDN. BHD.	REGAS TERMINAL (PENGERANG) SDN. BHD.	SIPITANG UTILITIES SDN. BHD.
PGB 100%	PGB 72.22%	PGB 90%
PG TRANSCO SDN. BHD.	Dialog Equity (Three) Sdn. Bhd. 27.78%	KAB Energy Holdings Sdn. Bhd. 10%
PGB 100%		
PG LINKARANFIBRE SDN. BHD.		
PG Energia Sdn. Bhd. 100%		

JOINT VENTURE

KIMANIS POWER SDN. BHD.*	KIMANIS POWER (DUA) SDN. BHD.*	KIMANIS O&M SDN. BHD.*
PGB 60%	PG Energia Sdn. Bhd. 60%	PGB 60%
NRG Consortium (Sabah) Sdn. Bhd. 40%	NRG Consortium (Sabah) Sdn. Bhd. 40%	NRG Consortium (Sabah) Sdn. Bhd. 40%
PENGERANG GAS SOLUTIONS SDN. BHD.*	INDUSTRIAL GASES SOLUTIONS SDN. BHD.	
PGB 51%	PGB 50%	
Linde Malaysia Sdn. Bhd. 49%	Linde Malaysia Sdn. Bhd. 50%	

ASSOCIATE

GAS MALAYSIA BERHAD	
Public Shareholders 35.77%	Tokyo Gas-Mitsui & Co Holdings Sdn. Bhd. 18.50%
Anglo-Oriental (Annuities) Sdn. Bhd. 30.93%	PGB 14.80%

* Although the Group has more than 50% ownership, the Group treats these companies as joint ventures in accordance with Malaysian Financial Reporting Standard 10.

WHERE WE OPERATE Our Presence

WHERE WE OPERATE Our Presence

OVERVIEW

2

Gas Processing Complexes

4

Utilities Complexes

2

Liquefied Natural Gas (LNG) Regasification Terminals

2,675

KM

Overall Pipeline Length

1,750

MMSCFD

Total Gas Processing Capacity

990

MMSCFD

Total LNG Regasification Capacity

UTILITIES PRODUCT CAPACITIES

541

Electricity (MW)

1,080

Steam (t/h)

73,000

Oxygen (Nm³/h)

100,240

Nitrogen (Nm³/h)

MAIN PENINSULAR GAS UTILISATION (PGU) PIPELINE		(KM)	GAS – IN
	PGU I : Kertih – Teluk Kalong	32	1983
	PGU II	714	
	Sector I : Teluk Kalong – Segamat	265	1991
	Sector II : Segamat – Kapar	241	1991
	Sector III : Segamat – Plentong	208	1991
	PGU III	450	
	Sector I : Meru – Lumut	184	1996
	Sector II : Lumut – Gurun	130	1996
	Sector III : Gurun – Pauh	136	1996
	Loop 1 : Kertih – Segamat	266	1999
	Loop 2 : Segamat – Meru	228	2000
Total		1,690	

OVERALL PIPELINE	LENGTH (KM)
Main PGU	1,690
Lateral	510
Liquid	373
Sungai Udang	30
Pengerang	72
Total	2,675

COMPLEX	GPP	CAPACITY (MMSCFD)
Gas Processing Kertih (GPK)	2	250
	3	250
	4	250
Gas Processing Santong (GPS)	5	500
	6	500
Total		1,750

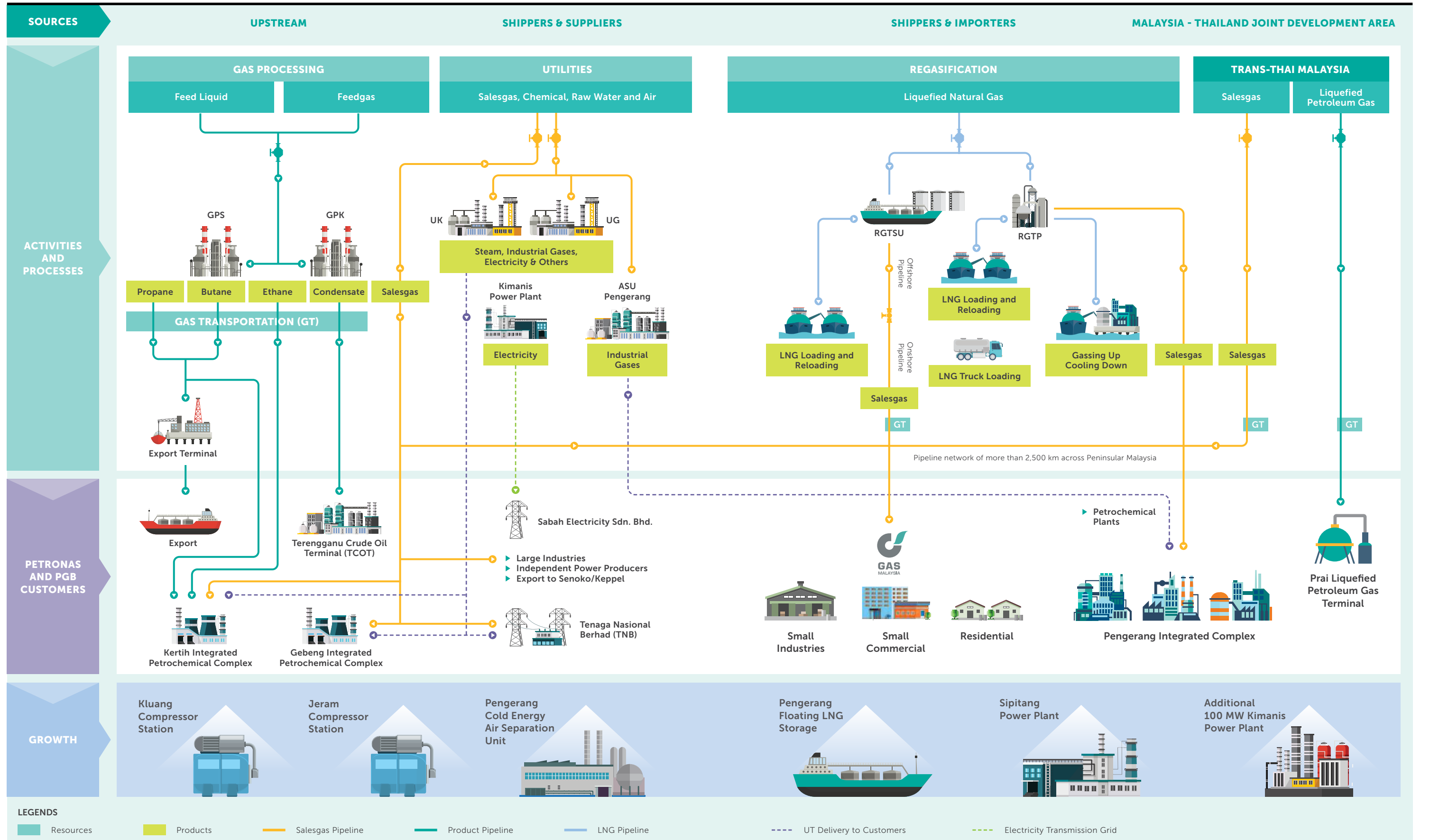
PRODUCT CAPACITY	ELECTRICITY (MW)	STEAM (T/H)	OXYGEN (NM ³ /H)	NITROGEN (NM ³ /H)
Utilities Kertih (UK)	160	600	32,000	69,500
Utilities Gebeng (UG)	96	480	-	8,240
Kimanis Power Plant	285	-	-	-
Air Separation Unit (ASU) Pengerang	-	-	41,000	22,500
Total	541	1,080	73,000	100,240

LNG REGASIFICATION TERMINAL	CAPACITY (MMSCFD)
Sungai Udang, Melaka	500
Pengerang, Johor	490

OPERATIONS & MAINTENANCE (O&M) SERVICES
Trans Thai-Malaysia (M) Sdn. Bhd. (TTM)

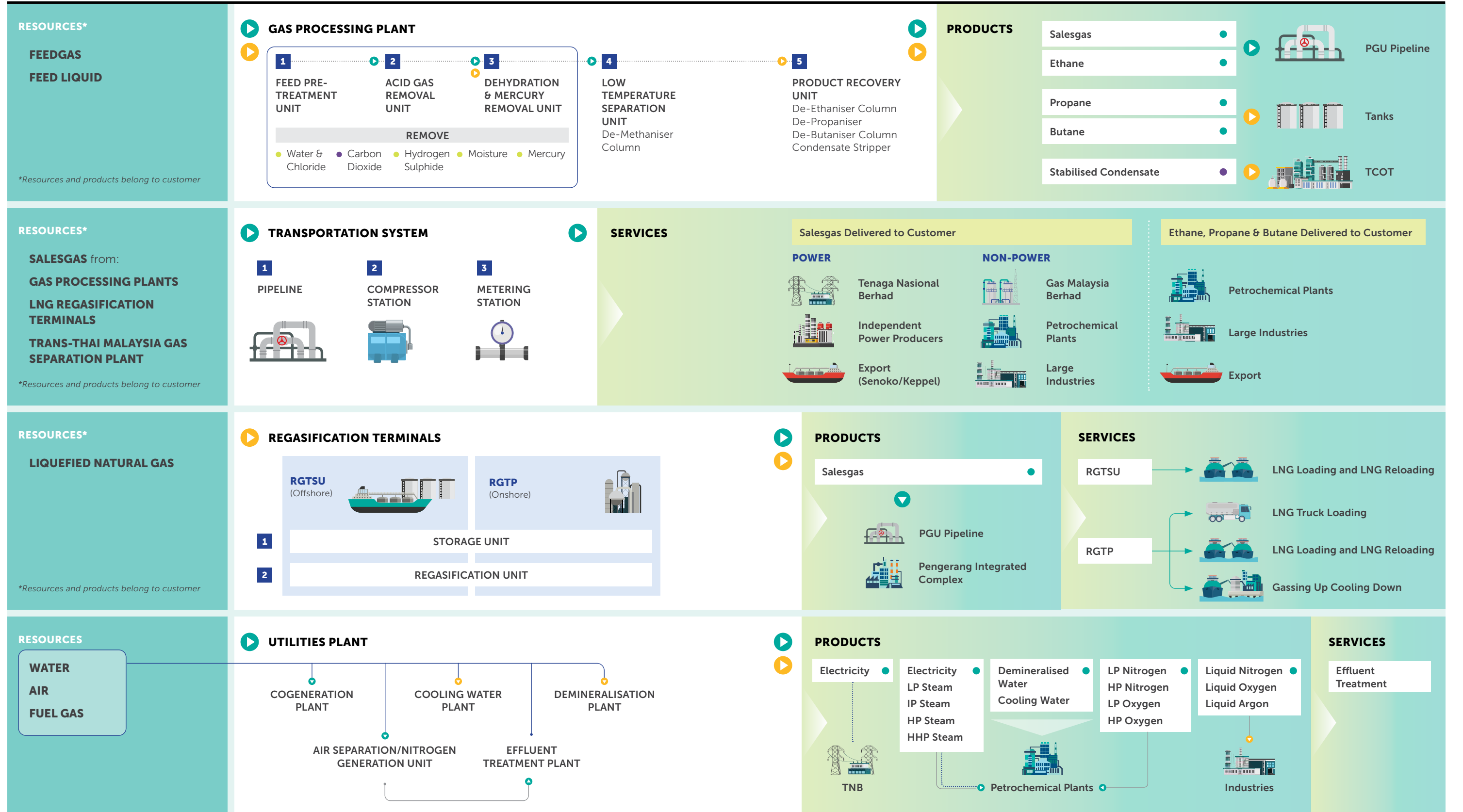
WHERE WE OPERATE Our Group Business Activities and Processes

WHERE WE OPERATE Our Group Business Activities and Processes



WHERE WE OPERATE Our Group Business Activities and Processes

WHERE WE OPERATE Our Group Business Activities and Processes



LEGENDS

- Gas
- Liquid
- Product
- By-Product
- Contaminants
- Electricity

ACRONYMS

HHP: High High Pressure HP: High Pressure LP: Low Pressure IP: Intermediate Pressure

CHAIRMAN'S MESSAGE

LEADING STRATEGIC TRANSFORMATION IN A SHIFTING ENERGY LANDSCAPE

DATUK ADIF ZULKIFLI
Chairman

DEAR VALUED SHAREHOLDERS,



Amidst a dynamic operating environment and evolving industry, PGB has demonstrated resilience and adaptability to maintain our world-class performance and position ourselves as a frontrunner in the regional energy transition."

SUSTAINING EXCELLENCE AMIDST ECONOMIC UNCERTAINTIES

As I deliver my inaugural statement as Chairman, I have great confidence in PGB's resilient business model, which is anchored by long-term contracts that ensure consistent revenue, while external factors continue to pose challenges. Heightened commodity and energy prices, forex fluctuations, and an elevated Service Producer Price Index highlight the high-cost environment of today's economic landscape.

Geopolitical conflicts, including the Russia-Ukraine war and tensions in the Middle East, persist in fuelling energy security concerns and disrupting global supply chains. This has kept the Malaysia Reference Price (MRP) for fuel gas at elevated levels, impacting operational costs, particularly within our Utilities segment. Although the MRP in 2024 was marginally lower than in 2023, it

remains higher than historical averages. Our ongoing focus on driving operational and cost efficiencies, coupled with a commitment to operational excellence, has been pivotal in maintaining revenue stability amidst rising costs.

Meanwhile, the volatility of the Malaysian Ringgit showed signs of gradual recovery in 2024, supported by government efforts to stabilise the economy and the declining strength of the US dollar. However, currency fluctuations continue to carry risks, potentially impacting expenses or leading to unrealised gains or losses. To this end, our proactive settlement of one USD-denominated contract last year significantly reduced our forex exposure, while ongoing hedging and cost management strategies have enabled us to mitigate risks and leverage opportunities arising from currency fluctuations.



CHAIRMAN'S MESSAGE

Looking ahead, we remain vigilant in monitoring external cost drivers while enhancing internal efficiencies. Through the adoption of digital tools and advanced technologies to optimise resources, PGB is well-positioned to navigate the persistent high-cost environment and continue delivering resilient financial performances.

DRIVING POLICY ALIGNMENT TO LEAD THE ENERGY TRANSITION

The rapid evolution of national and regional policies continues to shape the future of the energy sector. In Malaysia, the National Energy Transition Roadmap and National Energy Policy 2022–2040 outline ambitious goals to achieve Net Zero GHG Emissions by 2050, emphasising the critical role of natural gas as a cleaner and reliable fuel to support energy security and emissions reduction efforts.

The updated National Policy on Climate Change 2.0 further strengthens the framework for low-carbon development by focusing on financial and collaborative ecosystems. In tandem, the 12th Malaysia Plan has expanded incentives for renewable energy and natural gas infrastructure, as outlined in the National Budget 2024, reinforcing the country's commitment to the energy transition.

Regionally, the 8th ASEAN Energy Outlook, endorsed in September 2024, aims to address the energy trilemma and accelerate energy transformation. It promotes strategies such as multilateral power trade, advanced gas infrastructure development, and the adoption of carbon abatement technologies, carbon pricing, and innovative energy solutions. Malaysia has achieved a significant milestone in regional energy collaboration with the commencement of green energy exports to Singapore.

Amidst these developments, natural gas remains a cornerstone of the energy mix, providing grid stability and flexibility to complement intermittent renewable energy sources. To leverage this opportunity, it is crucial that we drive growth and expansion in the right manner, aligning our approach with the evolving energy policy landscape.



CHAIRMAN'S MESSAGE



We are committed to facilitate Malaysia's energy transition responsibly. As the nation's leading gas infrastructure company, we are solidifying our role as a key enabler of both national and regional energy goals."

Our strategic expansion of gas infrastructure will enable us to meet rising demand as coal phases out, while paving the way for involvement in the Trans-ASEAN Gas Pipeline (TAGP). Simultaneously, we are driving forward carbon abatement initiatives such as carbon capture technologies, towards achieving our Net Zero Carbon Emissions target by 2050.

Guided by the G5dot5 Strategic Agenda and the PGB Sustainability Blueprint, we are committed to facilitate Malaysia's energy transition responsibly. As the nation's leading gas infrastructure company, we are solidifying our role as a key enabler of both national and regional energy goals. In doing so, we are unlocking low-carbon growth opportunities that ensure the long-term sustainability and relevancy of our business.

EMPOWERING GOVERNANCE TO SPEARHEAD TRANSFORMATION

Robust governance remains the cornerstone of our value creation ambitions, enabling us to maintain operational excellence, drive strategic growth aligned with industry trends, and make meaningful progress towards our sustainability goals.

As we undertake transformative changes to adapt to the evolving regional energy landscape, we remain steadfast in upholding the highest standards of integrity and ethics, reinforcing transparency, accountability, and responsibility in all that we do. Annual Board Effectiveness Evaluation continues to play a vital role in ensuring the Board remains equipped to uphold these standards and oversee the execution of our strategies, providing actionable insights to drive continuous improvements in governance practices.

In 2024, efforts to bolster governance included revisions to the Board Charter, Limits of Authority, and Summary of Authority, alongside updates made to the Terms of Reference for the Board Audit Committee and Board Sustainability and Risk Committee. We also prioritised sustainability training for the Board, with three targeted initiatives conducted to equip our leadership with a deeper understanding of the evolving sustainability landscape.

Having assumed the role of Chairman of PGB in August 2024, I am reassured by the strong foundation for leadership that has been built. Our governance score in the FTSE4Good rating remains at full marks, while recent evaluations by key shareholders, including EPF and PNB, have affirmed our commitment to excellence, with PGB passing these assessments with distinction.

RECOGNITION OF OUR EXCELLENCE IN PERFORMANCE AND SUSTAINABILITY

In addition to achieving robust scores on sustainability indices, PGB has continued to garner recognition for excellence across various facets of our operations. Over the past year, we received more than 20 internal and external awards across various categories, such as operational and safety performance, Environmental, Social, and Governance (ESG) achievements, and reporting standards.

One of our most notable accolades was the Gold Award under the Utilities sector at the 2024 Edge Malaysia ESG Awards for PLCs. This award celebrates Malaysia's top performers in ESG excellence and underscores the significant investments we have made to drive sustainable strategies across our business.

We also earned our first Gold Award in the Integrated Annual Report & ESG Category at the Annual Reporting Awards 2024 and the Silver Award at the Australasian Reporting Awards 2024, which acknowledged our Integrated Report for meeting the highest industry benchmarks. This recognition is particularly meaningful as it validates our commitment to regulatory compliance and transparency in keeping stakeholders informed of our progress.

A comprehensive list of the awards we received in 2024 is available on page 7 of this report.

MAINTAINING HEALTHY DIVIDENDS FOR SHAREHOLDERS

Despite challenges in 2024, we remained steadfast in our commitment to delivering strong shareholder returns, upholding our dividend policy of distributing approximately 50% of our consolidated profit after tax and non-controlling interest.



For the financial year, we declared four single-tier interim dividends, totalling 72.0 sen net per share, with a total payout of RM1.4 billion. This represents a payout ratio of 77.6% of our net earnings, reflecting our unwavering dedication to rewarding shareholders for their continued trust while maintaining financial resilience for sustainable growth.

SPEARHEADING PROGRESS TOWARDS A SUSTAINABLE ENERGY FUTURE

As we look to 2025 and beyond, PGB remains unwavering in its commitment to achieve sustainable growth while navigating the evolving energy landscape. Guided by our strategic agenda, our key priorities remain to maintain excellence in core operations, expand along the natural gas value chain, and capitalise on opportunities presented by the energy transition.

The anticipation of rising demand for natural gas energy across Malaysia offers significant growth potential. With the expansion of our Liquefied Natural Gas storage and transmission infrastructure nearing completion, the Board has further approved the Final Investment Decision for an additional 100 MW gas power plant in Kimanis in 2024, while feasibility studies for several growth projects including gas infrastructure expansion are also underway. These initiatives ensure our gas transportation and regasification segments fulfil national gas needs as coal plants are gradually phased out, while fuelling revenue growth.

At the same time, as the ASEAN region continues to further its regional energy trade ambitions, Malaysia's strategic location and robust natural gas infrastructure make it a prime candidate to become a regional gas hub. Leveraging on our proven capability, expertise, and reputation, we are strategically positioning PGB as a key enabler for the TAGP.

Simultaneously, we will advance carbon abatement strategies, including carbon capture and CO₂ utilisation as an alternative fuel, while expanding our focus on step-out projects such as cold energy harnessing and energy storage systems to support a lower-carbon future. These efforts will be brought into sharper focus as Malaysia progressively expands its environmental regulations, including the recently announced carbon tax for the iron, steel, and energy industries. To this end, we remain actively engaged in dialogue with government bodies and global policymakers, ensuring that we contribute to shaping policies and regulations impacting the gas sector.

These and many other strategic strides we have taken over the past few years have laid a robust foundation for our transformation from a traditional energy company to a frontrunner in catalysing Malaysia's energy transition. Inspired by our recent recognition at The Edge Malaysia ESG Awards, we remain committed to upholding responsible practices and advancing sustainable growth as we shape the future of the national energy sector.

CHAIRMAN'S MESSAGE

ACKNOWLEDGEMENTS

In my first year as Chairman of PGB, I am profoundly grateful for the resolute support of our stakeholders and the Board, who have entrusted me with the responsibility of guiding PGB's growth during this transformative era.

A special note of appreciation goes to outgoing Chairman Adnan Zainol Abidin for his invaluable contributions to PGB. Under his leadership, the company has achieved significant milestones, fostering growth and resilience that will continue to shape our future.

On behalf of the Board, I extend my heartfelt appreciation to all shareholders for their steadfast confidence in our ambitions and their continued investment in PGB's future. I also wish to express my gratitude to our key partners, including government agencies and public and private entities, whose collaboration is instrumental in sustaining our value creation efforts and ensuring reliable and sustainable energy supply for Malaysia.

To our exceptional employees and Leadership Team, you are the backbone of our success. Your dedication, expertise, and relentless drive to tackle today's energy challenges while shaping a sustainable future have been nothing short of extraordinary. Thank you for your hard work, passion, and resilience, which have been pivotal in PGB's journey towards transformation and growth.

As we progress, we will maintain a holistic and forward-looking approach, staying true to our purpose while aligning our business with the shifting energy landscape. Through operational excellence, strategic growth, innovation, and sustainability, PGB is firmly positioned for long-term resilience and sustainable value creation as we lead the energy transition.

DATUK ADIF ZULKIFLI
Chairman

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

SUSTAINABLY GROWING AND EVOLVING AS WE MAINTAIN STABILITY THROUGH OPERATIONAL EXCELLENCE

ABDUL AZIZ OTHMAN
Managing Director/Chief Executive Officer

DEAR VALUED SHAREHOLDERS,



PGB's strong performance in 2024 is a testament to our relentless focus on operational excellence, efficiency and strategic expansion. With a steadfast commitment to sustainable growth, we are shaping the future of the energy sector with resilience and responsibility."



UPHOLDING EXCELLENCE AS THE FOUNDATION OF VALUE CREATION

Anchored by the PGB Strategic Agenda, now in its second year, we continue to strengthen our foundation for long-term value creation by upholding the highest standards in operations, project execution, and commercial agility. Guided by these key pillars, we are empowered to consistently fulfil customer needs, meet stakeholder expectations, and maximise revenue from our long-term contracts.



OPERATIONAL EXCELLENCE

In 2024, all our facilities continue to uphold world-class reliability standards. The strategic adoption of advanced digital technologies has been instrumental in surpassing planned Overall Equipment Effectiveness and achieving exceptional Product Delivery Reliability, ensuring an uninterrupted gas supply for the nation.

This performance was especially significant as we entered the first year of the third term of our Gas Processing Agreement with PETRONAS. Despite more stringent incentive benchmarks, we successfully met the targets to maximise these incentives—an achievement that reflects the exceptional commitment and expertise of both our management teams and ground-level operations staff.

Our dedication to Operational Excellence is evident in continuous investments to uphold the highest facility and equipment standards, reinforced by comprehensive training programmes that keep our workforce highly skilled and agile. At the same time, our strategic push for digital transformation—integrating cutting-edge technologies, including Artificial Intelligence (AI)—has significantly improved efficiency, optimised resource utilisation, and delivered tangible cost savings.

Operational efficiency initiatives were critical in mitigating higher operating costs in 2024, generating cost savings of RM131 million, which contributed directly to our bottom line.

PROJECT EXCELLENCE

Throughout the year, we maintain high standards in project management, driven by our commitment to effective risk mitigation, operational efficiency, and generative Health, Safety, Security and Environment (HSSE) culture. The majority of our ongoing projects have met or exceeded the On Time, On Budget, On Scope targets, ensuring optimal execution and delivery.

We achieved our target of zero major incidents, upholding our stringent dedication to safeguarding our people's health and safety.

COMMERCIAL EXCELLENCE

Our commitment to Operational and Project Excellence is reinforced by a strong focus on proactive commercial management. In 2024, we remained dedicated to securing timely contract renewals, actively engaging stakeholders to maximise value from our agreements, and leveraging technology and innovation to drive cost efficiencies and enhance profit margins across our products and services.

As we approach the final year of Regulatory Period 2 in 2025 for our Gas Transportation and Regasification segments, discussions are well underway to secure mutually favourable terms for Regulatory Period 3.

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

UNLOCKING NEW GROWTH OPPORTUNITIES

- 1 Expansion of Liquefied Natural Gas (LNG) storage facilities in Pengerang
- 2 Construction of a new pipeline
- 3 Installation of two additional gas compressor stations
- 4 Infrastructure upgrade projects

FUELLING STRATEGIC GROWTH AMIDST THE ENERGY TRANSITION

PGB remains steadfast in its commitment to sustainable and strategic growth as the global energy sector undergoes a transformation. With national and regional policies accelerating the transition towards cleaner energy sources, natural gas continues to play a crucial role as coal is gradually being reduced in Malaysia's energy mix. By capitalising on these changes, PGB is not only strengthening Malaysia's energy security but also actively unlocking new opportunities to diversify our revenue streams in a low-carbon future.

To meet rising energy demand and enhance infrastructure reliability, we have made significant progress in expanding our asset base. Key developments include the expansion of LNG storage facilities in Pengerang, the construction of a new pipeline to Pulau Indah, and the addition of two gas compressor stations—all of which strengthen Malaysia's energy network. In addition, several major infrastructure upgrade projects have been sanctioned in 2024, including a piping replacement project in Kemaman and gas turbine upgrading at Utilities Kertih.

Our first expansion into power generation as an Independent Power Producer was with the 285 MW Kimanis Power Plant (KPP) in Kimanis, Sabah. On the heels of KPP's 15th year anniversary, we achieved another strategic milestone with the groundbreaking ceremony for a second gas power plant in Kimanis. The 100 MW peaking power plant is slated to begin operations in 2026

and will bolster energy supply as part of the Sabah Energy Roadmap and Master Plan 2040 while reinforcing our revenue base. We have also received the Initial Letter of Notification from the government for the development of a 120 MW power plant in the Federal Territory of Labuan, which will also support Sabah and Labuan's long-term energy ambitions.

Meanwhile, our first foray into recovering energy from regasification operations is on track for completion by the end of 2026. The LNG-driven Air Separator Unit project at the Regasification Terminal Pengerang—the first of its kind in Malaysia—is set to be operational by the end of 2026. This initiative will allow us to harness cold energy from the regasification process, opening new possibilities for energy efficiency and resource optimisation. Concurrently, we are exploring and advancing projects to repurpose LNG regasification cold energy for industrial applications, reinforcing our commitment to innovation-driven sustainability.

Looking ahead, PGB will continue to pursue diverse and strategic growth initiatives aimed at maximising value from existing assets while seizing opportunities from the anticipated rise in gas demand and other broader developments of the energy transition. Our measured approach ensures that we grow in alignment with evolving energy policies, stakeholder expectations, and sustainability goals, supporting long-term value creation for both our business and the communities we serve.

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

DELIVERING A STRONG FINANCIAL PERFORMANCE

Our strong financial performance in 2024 reflects our ability to maintain high operational efficiency and reliability while proactively managing costs in the face of rising operational expenses. Group revenue grew by 1.4% to RM6,538.3 million, driven by higher contributions from the Gas Transportation and Processing segments, which helped mitigate the impact of lower revenue from the Utilities segment due to lower product prices.

In a challenging high-cost environment, our stringent cost optimisation efforts were instrumental in maintaining gross profit at RM2,277.3 million, marking only a marginal decline from 2023. A lower share of profit from joint ventures contributed to a 1.1% reduction in our profit before tax to RM2,360.4 million. However, reduced tax expenses supported a 1.2% increase in profit after tax (PAT) to RM1,923.7 million for the year.

Amidst evolving industry dynamics and rising costs, these results demonstrate the strength of our long-term contracts and strategic approach. With a solid foundation in place, we remain focused on driving sustainable growth and creating lasting value for our business and shareholders.

For details on the operational performance across our core segments, please read our Business Review from pages 56 to 63 in this report.

FOSTERING THE RIGHT CULTURE TO DRIVE GROWTH AND EXCELLENCE

As we pursue our growth ambitions, cultivating a skilled workforce and a strong organisational culture remains fundamental to PGB's long-term success. By embedding a culture of accountability, safety, and excellence across our organisation, we ensure that our people are empowered to drive performance and innovation. By nurturing talent and strengthening leadership capabilities, we are not only preparing for the future but also reinforcing the foundation for sustainable growth and continued success.

Health and Safety

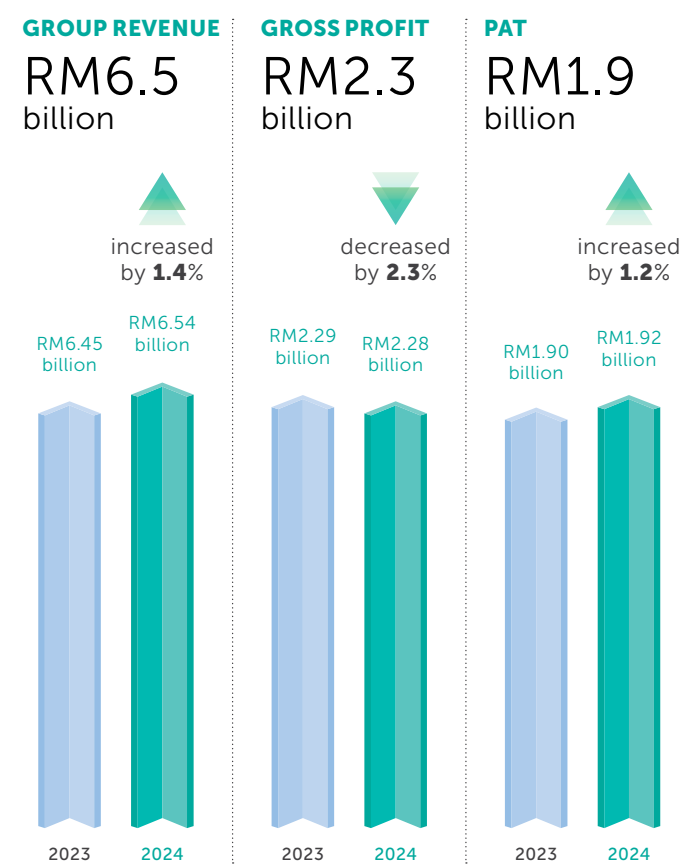
I am pleased to report that we recorded Zero Fatality, Zero Major Fire, and Zero Loss of Primary Containment incident in 2024. We also achieved a 50% reduction in total recordable cases compared to the previous year. However, despite our efforts, we had three Lost Time Injuries (LTIs) from two incidents that happened in the first two months of the year.

The establishment of the Accountability and Behaviour Reinforcement Committee in 2023 has been instrumental in strengthening our safety culture and preventing incident recurrence. In 2024, we conducted thorough reviews of all major incidents, leading to appropriate corrective actions, ranging from caution letters to formal disciplinary measures.

To further enhance our safety culture, we have revised our HSE Balance of Consequence system, clearly defining roles and responsibilities to improve its effectiveness. Additionally, we have upgraded our Electronic Permit to Work system with mistake-proof gatekeeping, ensuring that all necessary precautions are identified and mitigated before work permits are issued. This enhanced digital system strengthens risk mitigations and safeguards work areas, reinforcing our commitment to operational safety.

With the additional efforts above, there were no further major incidents and LTIs for the year.

As we transition towards self-regulation, these initiatives play a critical role in fostering stronger safety behaviours and accountability among our employees. Significant progress has been made in this area, with successful readiness audits conducted by PETRONAS Group HSE Self-Regulatory Department in July and November 2024 for Gas Processing, Utilities and Gas Transportation operations. These achievements position PGB as a leader in PETRONAS Self-Regulation journey, underscoring our commitment to industry leading safety standards.



Kimanis Power Sdn. Bhd. 15th Anniversary Celebration and Groundbreaking Ceremony

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

Talent and Culture Development

Through comprehensive deliberations and strategic collaborations with other PETRONAS entities, we are broadening our leadership pool and strengthening our talent base with emerging skill sets to drive long-term growth.

To support this, we launched the Grow Our Own Timber strategy in 2024, a long-term initiative designed to ensure a steady pipeline of successors and skilled professionals across the organisation. Leveraging stakeholder engagement, strategic partnerships, and continuous capability-building efforts, we will accelerate the growth of employees and equip them with the right skill sets to drive business growth and long-term success.

To enhance leadership capabilities, we continue to leverage the Nurturing Young Leaders Programme, with 196 key employees participating in leadership development courses throughout the year. Additionally, the Leadership Masterclass was introduced to develop senior leadership skills, ensuring the right expertise is in place to sustain and grow the business.

Recognising the importance of ethical and sustainable leadership, we also placed a strong emphasis on sustainability and ethics training for leaders, conducting targeted programmes to equip them with the expertise needed to integrate sustainability considerations into business strategies effectively.





Employee engagement by the leadership team remains a cornerstone of our strategy, with 51 activities and programmes conducted in 2024 to continuously sustain an engaging and conducive work experience and foster the desired organisational culture. We have achieved a favourable score in the PETRONAS Organisational Culture Survey 2024 and sustained this level of score for three consecutive years, reflecting a highly engaged workforce. More importantly, we have identified opportunities to further enhance our workplace culture and have established plans to address any gaps.

HARNESSING DIGITAL TRANSFORMATION TO DRIVE EFFICIENCY AND GROWTH

As alluded to above, our digital transformation initiatives, particularly at the Regasification Terminal Sungai Udang, Regasification Terminal Pengerang, and the Unified Operations Centre (UOC), have continued to deliver substantial benefits. These projects have enhanced efficiency, generated cost savings, improved operational and maintenance processes, enabled data-driven decision-making and provided scalability to meet future demands.

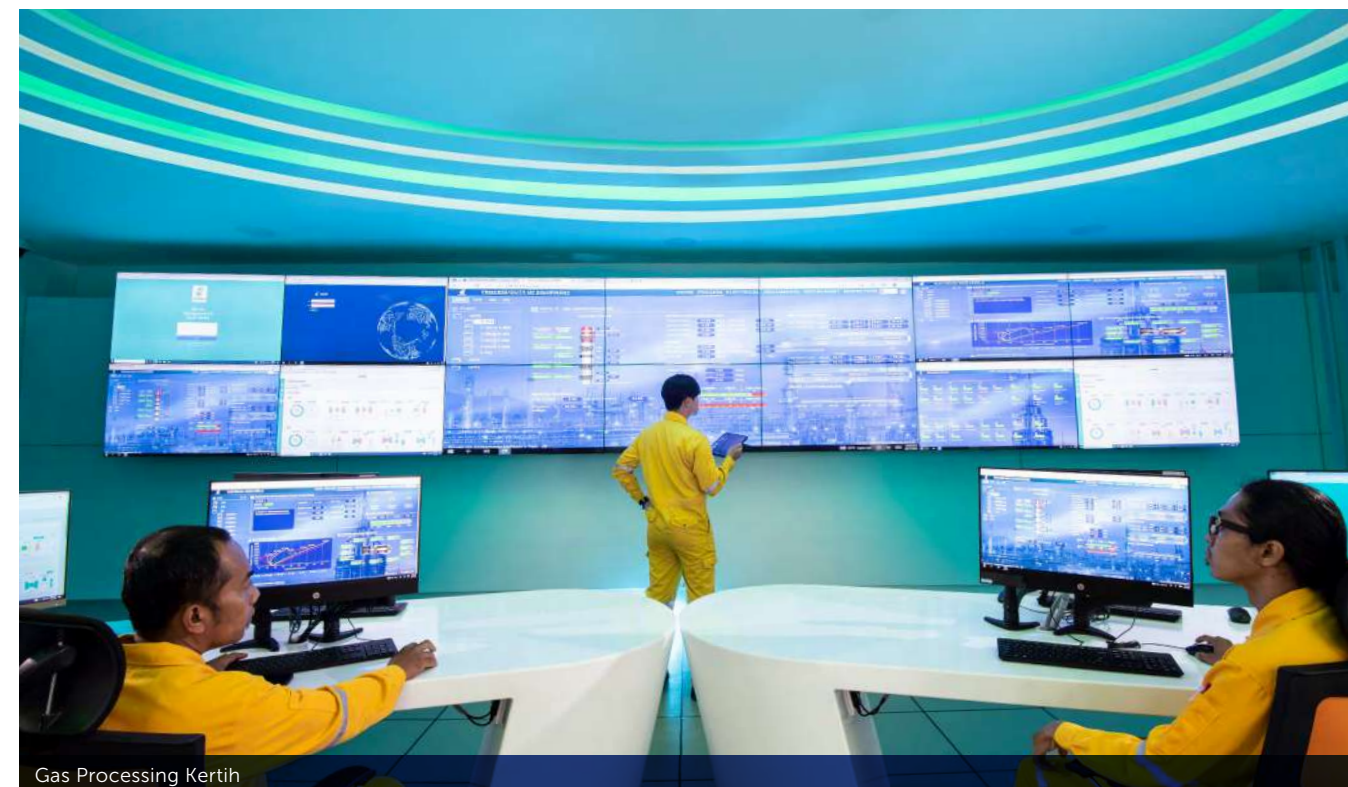
Digitalisation and technological adoption have indeed become pivotal to our growth ambitions. A prime example is the two new compressor stations in Kluang and Jeram, which are designed to be operated unmanned and will be remotely managed from our UOC in Segamat, using advanced digital systems and real-time signals. Consequently, operation of the two new compressor stations with investment of almost RM1 billion will not require additional manpower.

To sustain this momentum, we continue to invest heavily in advanced technologies, while recruiting and training talent capable of unlocking their full potential. Our key focus areas include:

-  **Leveraging AI and machine learning** to optimise resource utilisation, analyse data effectively, and enable rapid, informed decision-making.
-  **Adopting high-tech security and surveillance systems** to strengthen asset protection and enhance the efficiency of security responses.
-  **Implementing automated monitoring systems** to ensure compliance with regulatory standards and provide real-time analysis of infrastructure integrity.
-  **Deploying advanced digital systems** to streamline workflows and enhance operational efficiency and safety.



MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW



Our expanding use of predictive modelling is particularly noteworthy, delivering significant efficiency and cost benefits. For example, in our Utilities segment, we leverage advanced predictive tools for the New Enhanced Dispatch Agreement programme, which operates based on fluctuating system marginal prices. Our system analyses grid conditions and cost parameters, automatically selling electricity when conditions are optimal. This data-driven approach is far more efficient than previous manual methods, enabling us to optimise costs while maximising revenue.

As we continue to embrace digital transformation, these advancements not only enhance our operational capabilities but also position PGB as a forward-thinking organisation ready to navigate and lead in the evolving energy landscape.

ELEVATING CLIMATE ACTION AND SUSTAINABILITY

Guided by the PGB Sustainability Blueprint and its four lenses, we have made significant strides in advancing climate action and strengthening our Environmental, Social and Governance (ESG) performance across operations.

Under the **Sustainable Value Creation** lens, we continue to grow strategically and responsibly lead the energy transition, aligning our growth strategies with national and regional energy policies. Carbon footprint and carbon tax assessments have been established for certain capital projects, enabling fully informed investment decisions regarding carbon exposure.

In tandem, we are focused on advancing decarbonisation efforts and exploring step-out projects that generate green revenue streams beyond our core business portfolio. Initiatives such as carbon capture and storage and the utilisation of CO₂ to produce alternative fuel will contribute to a steady reduction in our emissions footprint. At the same time, efforts to harness cold energy from LNG regasification and develop energy storage systems will position us for sustainable growth in energy-intensive industries seeking low-carbon solutions, such as data centres.

Through the **Safeguarding the Environment** lens, we introduced the PGB Water Reduction and Management Roadmap in 2024 and conducted a baseline waste management assessment to enhance future waste reduction and recycling efforts. We have also progressed our greenhouse gas (GHG) emissions management, including Scope 3 emissions disclosures for Categories 6 and 7 in this year's report, with plans for a Scope 3 materiality assessment in 2025.

On this note, we remain committed to pursuing holistic opportunities to reduce GHG emissions as part of our Net Zero by 2050 ambitions. Our ongoing efforts include analysing projects and operations for carbon reduction opportunities through enhanced optimisation and efficiency while simultaneously exploring innovative solutions such as converting CO₂ to alternative fuel to unlock additional value.

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

While we continue to monitor the evolving carbon market landscape to optimise our participation in the Bursa Carbon Exchange, we prioritise implementing direct reduction measures over-relying on carbon credit projects. This approach bides time for the carbon market to mature, with the establishment of robust governmental frameworks and policies providing clarity and stability to guide industry-wide practices.

As part of our commitment to fostering **Positive Social Impact**, we are establishing a Human Rights Policy that reinforces our dedication to respect and uphold internationally recognised human rights. We have also continued to support the broader society through a diverse range of social impact initiatives under our three key focus areas: Powering Knowledge, Uplifting Lives, and Planting Tomorrow. Our total investment in these programmes was RM5.7 million in 2024, impacting 1,548 beneficiaries.

Three key focus areas on social impact initiatives:

- Powering Knowledge
- Uplifting Lives
- Planting Tomorrow

Our total investment in these programmes was **RM5.7 million** in 2024, impacting **1,548** beneficiaries.

We also recently launched a collaboration with Yayasan Hijau Malaysia to promote solar energy through a flagship programme aimed at developing solar-powered community centres. The pilot initiative is set to launch in Malacca in 2025, with plans to expand along our operational footprint in the future.

Under our **Responsible Governance** lens, a notable achievement in 2024 was addressing all Task Force on Climate-related Financial Disclosures recommendations one year ahead of Bursa Malaysia's mandated timeline. This accomplishment positions us to adopt the newly introduced International Sustainability Standards Board's reporting standards—the International Financial Reporting Standard (IFRS) Standard 1 (S1) and Standard 2 (S2)—further reinforcing our commitment to robust and transparent governance practices. In the coming year, we will focus on addressing



Segamat Operation Centre



Gas Processing Kertih

gaps in achieving IFRS S1 and S2 compliance, including the preparation of reasonable assurance for Scope 1 and 2 emissions, by 2027.

We have also made significant strides in enhancing disclosure transparency. In the second round of our assurance exercise, we continuously enhanced transparency and the quality of our disclosures. The improvements made this year, coupled with fewer issues raised by SIRIM, underscore the robustness of our data integrity and the effectiveness of our reporting practices.

I am also proud to share that we attained a FTSE4Good Bursa Malaysia ESG Score of 4.7 out of 5 in financial year 2024 assessment, placing PGB as the top 3 (98 percentile rank) in the Utilities Supersector. This is a marked improvement from financial year 2023 assessment score of 4.1, reflecting our strong commitment to sustainability and responsible business practices as well as meeting stakeholder expectations.

Looking ahead, we will continue to harness sustainability targets to drive performance across all four sustainability lenses while embedding sustainability skills and knowledge at every level of our organisation. Notably, I continue to carry the GHG emissions target in my personal scorecard—a responsibility I embrace as we continue to foster greater accountability and ensure a sustainable future for PGB.

POSITIONING FOR GROWTH AND RESILIENCE

PGB's outlook remains positive as we continue to sustain growth aligned with industry and policy developments. Malaysia's market demand for gas is expected to rise over the next 5 years, driven by industrial growth and increasing energy consumption, positioning us to capitalise on these trends.

However, we remain vigilant about cost concerns, particularly in light of ongoing geopolitical uncertainties. We anticipate the Malaysia Reference Price for fuel gas will remain elevated, influenced by higher Brent and JCC indexes, posing challenges for our Utilities segment, which pays market price for fuel gas. To navigate these challenges, we will continue to identify cost-saving opportunities while engaging with regulators to explore mutually beneficial solutions.

For our Regasification and Transmission segments, the growing market demand for energy is expected to require higher volumes of fuel gas to be injected via regasification terminals. Simultaneously, increasing power demand will drive the expansion and construction of several power plants, further increasing sales gas requirements. These developments will deliver substantial benefits for gas transmission infrastructure operators while creating new opportunities for growth.

We are also optimistic about potential involvement in the Trans-ASEAN Gas Pipeline, which is part of ASEAN's strategy to enhance regional gas trade.

By continuing to expand our transmission infrastructure, we are positioning ourselves to provide safe, reliable energy export services.

In tandem, we are collaborating with global policymakers to explore the use of CO₂ captured from our gas processing plant as feedstock for alternative fuel production. These initiatives, alongside our low-carbon energy projects, are building a resilient foundation for sustainability amidst the evolving energy landscape.

While 2024 was a strong year, we will not rest on our laurels. Sustaining operational excellence remains a priority, and we will continue to invest in both our assets and people to ensure we stay at the forefront of the industry. With an unwavering focus on strategic growth, sustainability, and carbon abatement, we are committed to making natural gas—and our business—more responsible, efficient, and well-positioned for the energy transition and the future.

ABDUL AZIZ OTHMAN
Managing Director/Chief Executive Officer

CHIEF FINANCIAL OFFICER'S REVIEW

PRESERVING ROBUST FINANCIAL RESILIENCE IN A DYNAMIC ENERGY SECTOR

SHAHRUL AZHAM SUKAIMAN
Chief Financial Officer



DEAR VALUED SHAREHOLDERS,



Through our steadfast focus on cost efficiency, operational excellence, and effective risk mitigation, PGB has showcased the agility to deliver strong financial results while aligning our business for sustainable growth in an evolving industry."

CHIEF FINANCIAL OFFICER'S REVIEW

UPHOLDING RESILIENT FINANCIAL RESULTS

In 2024, Group revenue rose by 1.4% or RM92.8 million to RM6,538.3 million, driven by higher contributions from the Gas Transportation and Processing segments, which offset a decline in Utilities revenue following lower product prices. However, a persistently high-cost environment constrained profitability growth, leading to a marginal 0.4% decline in gross profit to RM2,277.3 million.

Similarly, profit before tax (PBT) declined by 1.1% or RM25.7 million to RM2,360.4 million, impacted by a lower share of profit from joint ventures, though this was partially cushioned by a reduction in financing costs. Nevertheless, profit for the year improved by 1.2% to RM1,923.7 million, supported by lower tax expenses.

Meanwhile, EBITDA increased by 2.7% or RM87.6 million to RM3,354.7 million, albeit lower PBT due to lower share of profit and higher depreciation expenses during the year. Earnings per share grew by 0.9%, reflecting higher profit attributable to shareholders. Total assets are lower by 2.9% or RM564.6 million to RM18.8 billion, reflecting the impact of loan settlements and continued investments in growth projects.

Despite these challenges, the Group remains committed to delivering robust shareholder returns. In 2024, we declared four single-tier interim dividends, totalling 72.0 sen per share and surpassing RM1.4 billion in total payout, representing a 77.6% payout ratio of net earnings for the year.

ADEPTLY NAVIGATING MARKET FORCES

While we operate a stable business model that ensures revenue through the readiness and reliability of our assets and infrastructure, our profitability remains susceptible to external market dynamics. Key factors impacting our business

over the past few years have included elevated gas prices and foreign exchange volatility.

Although gas prices have eased compared to 2023, they remain elevated under the influence of ongoing geopolitical conflicts. Volatile Brent crude prices, which peaked at USD95 per barrel in April, directly affect the Malaysia Reference Price (MRP) we pay for fuel gas, driving up operational costs across the Group.

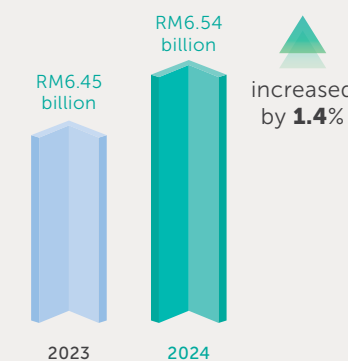
This environment has underscored the importance of optimising fuel gas utilisation, prompting us to adopt advanced technologies and digitalisation to enhance efficiency. For example, our Utilities segment leverages Artificial Intelligence (AI) predictive modelling to optimise internal gas consumption (IGC), while the Gas Processing segment employs a fit-for-purpose operational approach, dynamically adjusting resource utilisation based on key operating parameters.

These and other fuel optimisation measures have reduced our IGC compared to 2023, contributing to our resilient financial performance in 2024. This has been particularly significant for the Utilities segment, not only due to IGC being a primary operating cost but also because the segment's revenue was impacted by a reduction in the Imbalance Cost Pass-Through tariff from 17 sen to 16 sen in June 2024.

Forex volatility remains a key watchpoint, as ringgit fluctuations affect the costs of imported materials, payments for foreign currency-denominated contracts, and can result in temporary unrealised gains or losses on our balance sheet. However, our early settlement of USD-denominated lease liabilities totalling USD233.6 million last year significantly reduced our exposure to forex movements. Looking ahead, we will remain proactive in monitoring market conditions and taking necessary actions to safeguard our bottom line.

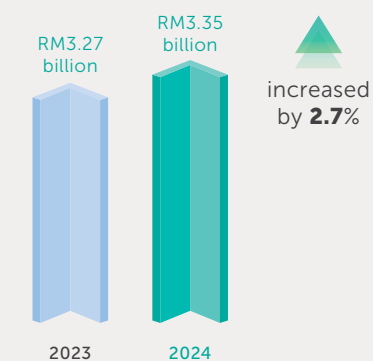
GROUP REVENUE

RM6.5 billion



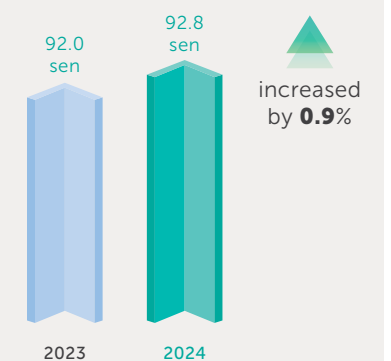
EBITDA

RM3.4 billion



EARNINGS PER SHARE

92.8 sen



CHIEF FINANCIAL OFFICER'S REVIEW

SEGMENTAL PERFORMANCE AND OUTLOOK

GAS TRANSPORTATION SEGMENT

Revenue
▶ **RM1,199.6** million

GAS PROCESSING SEGMENT

Revenue
▶ **RM1,872.5** million

REGASIFICATION SEGMENT

Revenue
▶ **RM1,355.2** million

UTILITIES SEGMENT

Revenue
▶ **RM2,110.9** million

Our **Gas Transportation** segment delivered stronger results in 2024, with revenue rising by 4.9% and profit increasing by 5.4% to RM592.7 million. The improved performance was underpinned by maintaining close to 100% reliability and the benefit of upward tariff adjustments implemented under the terms of the Incentive-Based Regulation framework, which enabled the segment to recover the higher gas costs incurred in the previous year.

A key milestone for the year was the completion of a 42 km lateral gas pipeline to Pulau Indah, Selangor, which commenced supplying gas to the Pulau Indah Power Plant in July 2024. Additionally, progress continues on two new gas compressor projects: the Kluang station is set to begin operations in 2025, and a new compressor station at Jeram, Selangor, reached a Final Investment Decision in March 2024, with commissioning planned for February 2026.

These strategic growth projects will support a robust outlook for the segment, with steady demand driven by power generation and industrial use, and long-term growth anticipated in tandem with the role of gas as a transitional fuel.

Meanwhile, our **Regasification segment** maintained its world-class operating standards and marginally increased revenue compared to 2023, but higher operating expenses resulted in a 5.9% decline in profit to RM599.8 million. The segment is on course to complete its third Liquefied Natural

Gas (LNG) storage unit at Pengerang, which will be fully underwritten by PETRONAS LNG Ltd. under a 20-year storage service agreement. This third storage is slated to commence operations in the second half of 2025, which is expected to positively impact future earnings.

This additional revenue will help to partly soften the impact of a high-cost environment. Meanwhile, discussions for the Regulatory Period 3 agreement are progressing well, and we are collaborating closely with regulators to secure mutually favourable terms.

The **Gas Processing segment** similarly faced increased operating expenses in 2024 but delivered stable results, supported by enhanced operational efficiency and high plant reliability. Revenue increased by 5.3%, while profit increased by 0.6% to RM801.1 million.

This performance is particularly commendable, as 2024 marked the first year of the third term of our Gas Processing Agreement (GPA), which introduced more challenging targets compared to the previous term. Leveraging digital monitoring technologies and predictive analytics, we ensured uninterrupted operations, achieving exceptional plant reliability and Overall Equipment Effectiveness. This enabled us to maximise the incentives under the GPA framework.

Looking ahead, the segment will prioritise further efficiency improvements to fully realise incentive opportunities, while advancing carbon abatement initiatives at processing facilities to align with internal and external commitments for achieving carbon neutrality.

The **Utilities segment** maintained near-perfect Product Delivery Reliability and achieved higher volumes of electricity, steam, and industrial gases in 2024. However, results were impacted by lower customer offtake and a reduction in product prices. Revenue for the segment decreased by 2.8% in 2024, while profit contracted by 2.4% to RM283.8 million. However, these results should be considered alongside the segment's exceptional profit growth of over 100% in the prior year.

The Utilities growth portfolio currently features three power plant projects and one energy recovery project. These include the ongoing construction of a 52 MW power plant in Sipitang, Sabah, which is scheduled for commissioning in end of 2026. Additionally, we received the Letter of Notification for a 100 MW power plant in Kimanis, Sabah, in August 2024, and have also received the Initial Letter of Notification for a 120 MW power plant in the Federal Territory of Labuan. Meanwhile, the installation of a new Air Separation Unit (ASU) to harness cold energy at Pengerang, Johor, is also progressing as planned and is expected to be commissioned at the end of 2026.

CHIEF FINANCIAL OFFICER'S REVIEW

The excellent operational performance of our joint venture companies played a significant role in driving overall profitability, demonstrating the effectiveness of our collaborative growth strategies. Their consistent contributions bolstered our financial position, complementing organic business growth and operational efficiencies.

Looking ahead, all growth investments across our four segments have been strategically aligned with PGB Strategic Agenda, National Energy Policy (NEP) and the National Energy Transition Roadmap (NETR). This alignment enables us to expand and diversify our revenue streams in lockstep with the evolving energy sector, firmly positioning PGB as a key facilitator in the energy transition.

PRESERVING ROBUST FINANCIAL HEALTH

The Group continues to leverage established cost, capital, and cash management strategies to maintain robust financial health, ensuring the flexibility and capacity to achieve our long-term ambitions.

Cost Optimisation

Amidst persistent external headwinds and rising operational costs, we remain steadfast in our commitment to stringent cost optimisation and financial discipline. With regulated pricing limiting revenue flexibility, effective cost management remains our primary lever to improve margins. This is reflected in our Strategic Agenda, where attaining a top performance

Unit Cash Cost remains a core target under our Operational Excellence framework.

While many low-hanging cost-saving opportunities have already been implemented, we continue to challenge ourselves to find innovative solutions. This agility is critical in addressing rising fuel gas prices and other operating expenses.

A cornerstone of our approach is ensuring optimal maintenance of our plants and equipment to prevent unplanned shutdowns and costly repairs. Technological advancements have played a pivotal role towards these objectives, with our investments in data collection systems over recent years now enabling us to leverage automation and advanced analytics to enhance monitoring and drive cost efficiencies.

The impact of these advancements is evident in our Gas Processing segment, where a higher volume of fuel gas savings in 2024 enabled us to secure comparable IGC incentives to 2023, despite a lower MRP to which the incentive is tied. Similarly, the Utilities segment has embraced a fit-for-purpose approach, leveraging AI to optimise operations and maximise sales when cost conditions are advantageous.

Through these comprehensive strategies and measures, we are not only driving cost efficiency but also positioning ourselves for sustainable growth in an increasingly challenging environment.



Utilities Kertih

CHIEF FINANCIAL OFFICER'S REVIEW



Digitalisation has also enhanced resource utilisation, particularly manpower. Tasks previously requiring manual effort, such as surveillance, are now performed using drones and remote monitoring, improving efficiency and reducing costs. By automating non-value-added tasks, we can redeploy resources towards higher-value work."

Optimising Capital and Cash Management

Operating in a dynamic business landscape where rising costs continue to pressure margins, the Group has upheld a prudent approach to capital and cash management. With a focus on long-term growth opportunities in a rapidly evolving energy sector, we remain committed to preserving headroom for expansion. We consistently evaluate our financial requirements and funding strategies, aiming to optimise capital utilisation while navigating shifting market conditions across both our regulated and unregulated businesses.

As of 31 December 2024, the Group's gearing stood at 11.5%, inclusive of arrangements accounted for as leases under Malaysian Financial Reporting Standards. This marks a reduction from 18.6% at the end of the previous financial year, primarily driven by the full repayment of our RM1.2 billion financing facility with RHB Islamic Bank Berhad in March 2024. We retain ample financial headroom and liquidity for financing future growth via strategic projects that have been rigorously evaluated for financial feasibility and long-term sustainability.

Cash balances declined during the year due to the repayment of the RHB loan and increased capital expenditure but remained robust at RM2.6 billion as of 31 December 2024. These funds, predominantly held in In-House Accounts managed by PETRONAS Integrated Financial Shared Service Centre, are managed to preserve capital and generate optimal returns. Supported by our low gearing ratio, we have increased placements in longer-tenure investments to capture higher profit from fund investment while ensuring we retain a sufficiently robust liquidity position.

The Group's fund investment activities are centrally managed by PETRONAS' Group Treasury and primarily consist of money market placements. These investments are governed by established policies and guidelines that outline the

parameters for investment activities, ensuring alignment with the Group's objectives of capital preservation and generating optimal returns within acceptable risk thresholds.

The Group remains committed to its dividend policy of a 50% payout ratio of consolidated profit after tax and non-controlling interests, consistently surpassing this threshold. Over the past five years, our payout ratios have exceeded 70%, reflecting our dedication to rewarding shareholder loyalty. We aim to sustain robust dividend payouts even as we navigate a challenging operating environment.

Looking ahead, our capital management approach will remain prudent, balancing investments to drive business growth, ensuring ongoing financial resilience, and maintaining strong shareholder returns.

PROACTIVELY MANAGING OUR FINANCIAL RISKS

In navigating a challenging operating environment marked by persistent market volatility, we continue to prioritise mitigating financial risks that could adversely impact the Group. Our key prevailing financial risks include rising operational costs, foreign exchange volatility impacting our dependency on imports, and the constraints posed by a regulated pricing structure that limits revenue growth. Additionally, compliance costs related to evolving environmental, cybersecurity, and safety regulations must be taken into consideration.



Regasification Terminal Sungai Udang Melaka

CHIEF FINANCIAL OFFICER'S REVIEW

Our focus remains on proactively managing these risks through robust financial governance and strategic adaptation. This includes implementing processes to reduce exposure to currency fluctuations and operational inefficiencies, as well as engaging with regulators to advocate for favourable contractual and regulatory terms that support sustainable growth.

The Group's financial governance framework, guided by the PETRONAS Financial Policy and supported by the PETRONAS Financial Standards, ensures adherence to rigorous principles and requirements for effective financial management, including risk mitigation practices. We continuously monitor, assess, and review our risk profile to ensure our risk management practices remain comprehensive and well-integrated into our operations, which aim to minimise the impact of external factors to our bottom line.

Market Risks

In 2024, the Group took proactive measures to mitigate market risks arising from foreign currency exchange rate volatility and rising costs for internal gas consumption.

To manage foreign exchange risks, we implemented hedging strategies to address transactional exposures. In response to foreign exchange volatility, we promptly deployed a foreign currency hedging strategy to mitigate cost fluctuations. By securing fixed or more predictable pricing through hedging contracts, we effectively shielded the company against sudden currency-driven price increases, ensuring greater financial stability and cost efficiency.

In addressing rising gas costs, the Group intensified efforts to optimise internal gas consumption and reduce operating expenses. By inculcating a cost-conscious culture and leveraging cutting-edge technologies and AI systems, the details of which were covered above, we have admirably managed cost pressures while maintaining reliable operations and delivering resilient results.

These proactive measures reflect the Group's continued commitment to mitigating the financial implications of market risks and ensuring resilience in a volatile global landscape.

Credit Risk

The Group has continued to ensure robust Credit management processes and procedures are in place, including comprehensive customer credit assessments, deliberation on credit limits, and the establishment of collateral requirements to mitigate potential losses.

These measures ensure our readiness to accommodate new customers arising from growth projects.



Gas Processing Santong

Liquidity Risk

The Group's liquidity position remains strong, supported by substantial cash reserves and ample credit headroom. This is being preserved through the rigorous monitoring of receivables and payables, ensuring effective mitigation of potential liquidity risks. Our favourable liquidity position ensures we are well-placed to capitalise on emerging opportunities to strategically expand and diversify our business operations.

RESPONDING TO THE SUSTAINABILITY AND CLIMATE ACTION LANDSCAPE

As sustainability and climate-related regulations become increasingly stringent, PGB recognises the imperative to invest meaningfully in frameworks, people, systems, and solutions to advance climate action and strengthen our Environmental, Social and Governance performance. These efforts not only mitigate the financial and reputational risks associated with non-compliance but also ensure we meet the evolving expectations of investors, financial institutions, and other key stakeholders.

Our proactive approach is evidenced by addressing full Task Force on Climate-related Financial Disclosures (TCFD) recommendations with the TCFD framework a year ahead of Bursa Malaysia's stipulated deadline. This positions us favourably to align with the International Financial Reporting Standard (Standard 1 and 2) requirements, which take effect next year and place more focus on the financial impact of climate change. As these reporting standards come into force, we are committed to bolstering our reporting capabilities and upskilling our teams with the necessary knowledge and skills to meet the demands of these new frameworks.

CHIEF FINANCIAL OFFICER'S REVIEW



Tanjung Sulong Export Terminal

In conjunction with evolving regulations, proactively assessing, disclosing, and addressing our climate-related financial risks will be vital. Leveraging recognised global frameworks for scenario analysis, we have identified key risks to our business operations and assessed their potential financial impacts. These insights inform our decision-making processes and are detailed in the 'Climate Change Management' section of our Sustainability Report 2024.

Carbon abatement remains an area of focus. PGB has long prioritised investments in emissions reduction, even before regulatory pressures intensified. Initial efforts have targeted low-hanging fruits, including the installation of more efficient equipment and engines and the implementation of operational controls to minimise emissions. However, to achieve Net Zero Carbon Emissions by 2050, carbon capture will be essential. Our collaboration with PETRONAS and other key stakeholders on carbon abatement strategies will also support our long-term viability and growth ambitions, enabling us to make our gas energy greener while unlocking potential cost-saving or revenue-generating opportunities from captured carbon.

Further collaboration with external stakeholders will be critical to advancing our carbon abatement ambitions in a financially viable manner. The introduction of frameworks such as the New Industrial Master Plan 2030 2.0, NETR, and NEP, alongside the anticipated carbon tax, reflects Malaysia's evolving support ecosystem for carbon abatement. We are optimistic that these developments will enhance the fiscal feasibility of many abatement strategies we are currently exploring, paving the way for more impactful and cost-effective sustainability efforts.

For PGB, aligning with the energy transition and driving towards Net Zero is not only an environmental imperative but also a critical enabler of long-term sustainability and financial resilience. By taking decisive action to meet evolving regulatory requirements, we ensure our practices stay abreast of this dynamic landscape while protecting the financial health of our business.

MOVING FORWARD

Looking ahead to 2025 and beyond, I remain confident about the outlook and resilience of our business. However, concerns about the high-cost environment persist, with recent regulatory developments likely to introduce additional cost pressures, adding to those already discussed. The Malaysia Budget 2025 announcement has introduced higher minimum wages and expanded the scope of service taxes, both of which will impact our operational costs. Furthermore, reductions in fuel subsidies and the anticipated carbon tax could drive up raw material prices, intensifying the challenges to our cost base.

To navigate these challenges, it is imperative that PGB remains efficient, agile and ready to respond swiftly to market developments. We must continue to innovate and adopt cost-effective strategies to achieve equal or improved outcomes.

While market volatility is likely to persist in the years ahead, we will leverage our experience, expertise, talented workforce, and financial strength to navigate these challenges with agility and resilience. By doing so, we aim to reinforce our leadership in the energy transition while continuing to deliver sustainable returns for our shareholders and positive outcomes for all stakeholders.

SHAHRUL AZHAM SUKAIMAN
Chief Financial Officer

OUR OPERATING ENVIRONMENT

We continuously monitor the evolution of our operating environment to ensure our approach and strategies remain relevant and effective. We also take these external factors into careful consideration when identifying, reviewing, and refining our material matters. By staying attuned to external developments, we gain the knowledge and insights needed to safeguard the health of our business and reinforce PGB's position as a leading gas infrastructure and utilities company.

Below are the key industry trends and market developments identified in 2024, which are anticipated to influence our short- to medium-term performance, alongside our corresponding response and projected outlook.

THE MALAYSIA NATIONAL ENERGY POLICY (NEP) 2022-2040 AND THE NATIONAL ENERGY TRANSITION ROADMAP (NETR)



INSIGHTS

The NEP 2022-2040 and NETR outline Malaysia's strategic direction in advancing decarbonisation, increasing renewable energy adoption to 70% by 2050, and positioning natural gas as a key transition fuel. The policies focus on the following:

- **Gas as a Transition Fuel:** Natural gas remains integral to Malaysia's energy mix, providing a stable and reliable energy source to balance supply and demand.
- **Decarbonisation and Energy Transition:** Policy-driven measures are accelerating carbon intensity reductions and improving energy efficiency.
- **Infrastructure Modernisation:** Encouragement for investments in gas infrastructure, including hydrogen and carbon management.
- **Liberalised and Competitive Market:** Gradual gas market liberalisation aims to enhance competition, optimise pricing, and improve efficiency in gas supply and delivery.
- **Cross-Border Energy Trade:** Strengthened regional energy integration, including the expansion of renewable energy exports to Singapore and potential gas supply partnerships.
- **Power Sector and Data Centre Demand:** The rising electricity demand from data centres necessitates reliable energy sources, driving opportunities in gas-based power generation and grid stability.

IMPACT

- The demand for gas infrastructure is increasing as Malaysia transitions towards a lower-carbon energy mix, leading to a rising need for Liquefied Natural Gas regasification and transmission services.
- To maintain operational efficiency and reliability, continuous improvements in pipeline integrity, processing efficiency, and regasification infrastructure are necessary to ensure a stable and secure gas supply.
- The growing energy demand presents power sector opportunities for PGB, as we can play a crucial role in supporting grid stability through flexible gas power solutions.

HOW WE RESPOND

- PGB is actively engaging with regulators and policymakers to obtain detailed supply-demand forecasts and develop comprehensive plans and strategies that leverage our capabilities to provide effective energy solutions.
- We are taking efforts to optimise our gas infrastructure, including by effectively managing aging facilities, rejuvenating and enhancing pipeline integrity, and improving the reliability of gas compression systems to optimise gas delivery at efficient costs while meeting diverse demand requirements.
- PGB is seeking to strengthen regional energy collaboration, exploring opportunities to support Malaysia's export initiatives and cross-border gas infrastructure projects.

OUTLOOK

PGB remains focused on optimising gas infrastructure, improving operational efficiencies, and ensuring a stable gas supply to support national gas demand. Moving forward, we will explore opportunities to evolve into a multi-energy infrastructure player, providing integrated energy solutions and carbon management initiatives to support Malaysia's energy transition.

OUR OPERATING ENVIRONMENT

SUSTAINABILITY REGULATIONS AND DISCLOSURE



INSIGHTS

The regulatory landscape for sustainability disclosures is rapidly evolving with the introduction of International Financial Reporting Standard (IFRS) Standard 1 (S1) and Standard 2 (S2) and the mandated Bursa Malaysia Scope 3 Category 6 and 7 disclosures. Malaysia's National Climate Change Policy (NCCP) 2.0 further reinforces governance structures and resources to drive climate action, while the financial year 2025 (FY2025) Budget Speech has outlined plans to implement a carbon tax for the iron, steel, and energy industries by 2026. In response to growing global sustainability priorities, customers and investors increasingly favour companies with greener, more sustainable products and robust Environmental, Social and Governance (ESG) practices.

IMPACT

- Expanding sustainability disclosures, including Scope 3 emissions, will require targeted strategies and action plans to address impacts and enhance performance.
- NCCP 2.0 will introduce more stringent environmental requirements, adding responsibilities for companies to mitigate their environmental impact while providing opportunities to leverage government resources for sustainability progress.
- The impending carbon tax will require an evaluation of business models to maintain competitiveness while aligning with customer expectations for sustainable and affordable products.

HOW WE RESPOND

- Having fully addressed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations ahead of Bursa Malaysia's timeline, we are well-positioned to adopt IFRS S1 and S2, with a Scope 3 materiality assessment planned for FY2025.
- PGB has participated in dialogues with other PETRONAS companies to exchange best practices and insights in addressing NCCP 2.0 requirements.
- Discussions have been initiated with Ministry of Natural Resources and Environmental Sustainability regarding Malaysia's carbon tax implementation, while steps have been implemented to assess and address potential carbon cost exposure.

OUTLOOK

With expanding regulatory requirements, including Taskforce on Natural-related Financial Disclosures (TNFD) and additional Scope 3 categories, on the horizon, we remain proactive in evaluating stakeholder expectations and conducting due diligence for all new projects. Simultaneously, as financial institutions increasingly favour companies with strong sustainability commitments, we are diversifying into step-out projects along the natural gas value chain and renewable energy to strengthen our competitiveness and secure sustainable revenue growth.



OUR OPERATING ENVIRONMENT



FOREX CURRENCY EXPOSURE

INSIGHTS

As PGB continues to pursue new investments and growth opportunities, collaborations with international companies will become increasingly common to support the execution of our strategies. This will likely result in business deals and contracts denominated in foreign currencies, exposing us to fluctuations in foreign exchange (FX).

IMPACT

- We are subject to transaction exposure due to exchange rate fluctuations. This may affect future cash flows and result in FX losses.
- Impacts from the value of foreign currency-denominated assets and liabilities recorded in the balance sheet could lead to translation exposures.
- Macroeconomic exposures could catalyse currency volatility. This may influence the company's competitive position and pricing strategies.

HOW WE RESPOND

- Adopting long-term hedging strategies will protect the company against adverse currency movements.
- Strategically aligning foreign currency inflows and outflows will result in mitigating FX risk.
- Embedding protective clauses in contracts acts to safeguard PGB's value against currency fluctuations.

OUTLOOK

Despite market volatility, the ringgit closed 2024 as Asia's best-performing currency, supported by stronger-than-expected economic growth and appreciating against major currencies such as the US Dollar and Japanese Yen. While a weaker performance is anticipated in early 2025, analysts project a gradual strengthening trend for the remainder of the year.

Source: Ringgit poised for gradual rise, expected to average RM4.10 in 2025 | The Star



ENGAGING OUR STAKEHOLDERS

ENGAGING OUR STAKEHOLDERS

We recognise that our diverse stakeholders have unique interests shaped by their interactions with our business and its impact on them. Through regular and targeted engagements, we gain valuable insights into their needs and priorities, enabling us to fine-tune our strategies, activities, and performance to stay aligned with their expectations.



Our engagement approach is tailored to each stakeholder group, ensuring appropriate channels and methods are used. These interactions allow us to share updates on our activities, outcomes, and strategic direction while seeking feedback on their concerns, priorities, and evolving expectations.

The table below outlines our key stakeholders and the customised engagement frameworks we employ to foster meaningful dialogue and collaboration.

For further details on how we engage with our stakeholders, please refer to page 24 in our standalone Sustainability Report 2024.

WHY WE ENGAGE

WHAT WE OFFER

KEY CONCERNS

OUR RESPONSE

INVESTORS AND FUNDING INSTITUTIONS

- Enhance financing opportunities
- Liquidity of our shares
- Foster open communication with investors for better business understanding
- Maintain transparency with stakeholders

- Stable investment with steady share prices and low volatility
- Alignment of business activities with strategic goals
- Integration of sustainability and governance into practices
- Ability to sustain attractive shareholder returns

- Progress on growth initiatives
- Sustainability practices and disclosures
- Consistency of shareholder returns
- Shift in focus from oil and gas sectors due to environmental concerns

- Clear disclosures on strategies and growth initiatives
- Quarterly results announcements and analyst briefings
- Consistent stakeholder engagement
- Prompt response to shareholder queries
- Highlighting efforts in reports, presentations, and website

A One-on-one meetings **A** Emails/Letters/Surveys **Q** Analyst briefings

Q Website (for analyst briefings only) **Y** Site visits **Y** Investor conferences and roadshows **Y** Annual General Meeting

CUSTOMERS

- Present a superior offering that reflects operational and commercial excellence
- Extend contracts
- Secure new contracts
- Foster and maintain good business relationships

- Reliable product delivery at a competitive cost
- Quality product offerings
- Commitment to product delivery reliability and conformance to specifications

- Delivery of high-quality products and services in a timely manner
- Competitive product offerings

- Strengthened integration across the value chain to enhance reliability and ensure Product Delivery Reliability (PDR)
- Expanded customer-focused solutions for both product offerings and pricing
- Boosted customer interactions through increased engagements and visits
- Enhanced marketing efforts and outreach initiatives

W One-on-one meetings **Q** Customer visits **Y** Industry conferences, forums and events

Y Annual customer experience survey

BUSINESS PARTNERS, SUPPLIERS AND VENDORS

- Foster resilient relationships through communication and collaboration
- Preserve delivery of goods and services aligned with PETRONAS and PGB values

- Collaborating on joint initiatives for mutual benefit
- Opportunities and partnerships to support the growth of suppliers' businesses

- ESG regulations and requirements from potential partners
- Vice versa, wherein we may require certain ESG compliance thresholds from potential partners
- Ensuring fair and seamless business transactions

- Established partner selection criteria to ensure strategic fit
- Utilising PETRONAS Group Procurement and Financial Services' policies and procedures for efficiency and transparency
- Strengthening engagements to maintain a reliable supply chain

W One-on-one meetings **Q** Board meetings **M** Management committee meetings

Y Strategic dialogues, conferences, forums and events **Y** Contractor engagements and clinics

W Toolbox sessions **W** HSSE contractor improvement programme **Q** Project sponsor meetings

Channels and Frequency

A As required **W** Weekly **M** Monthly **Q** Quarterly **Y** Yearly

ENGAGING OUR STAKEHOLDERS

ENGAGING OUR STAKEHOLDERS

	WHY WE ENGAGE	WHAT WE OFFER	KEY CONCERNS	OUR RESPONSE
EMPLOYEES AND UNIONS 	<ul style="list-style-type: none"> Foster a positive ecosystem and encourage employees to contribute to business strategies and goals Identify skill gaps to nurture future talent Inspire collaboration among employees and management Maintain strong relationships with union representatives to ensure industrial harmony 	<ul style="list-style-type: none"> A supportive environment promoting sustainability and psychological safety Opportunities for learning, development, and growth Opportunities for meaningful contributions towards personal fulfilment and strategic business goals 	<ul style="list-style-type: none"> Employee physical and mental well-being Inclusive and conducive working environment Skill development and capability building Maintaining industrial harmony 	<ul style="list-style-type: none"> Structured programmes to address physical, mental and financial well-being Communication programmes to encourage diversity and inclusion Structured development programmes focusing on technical, functional, and leadership skills Collaboration with union representatives for seamless Human Resources policy to understand and conclude negotiation on collective agreement Employee engagement remains a priority, with 51 activities and programmes in 2024 to foster a conducive work environment and culture
	M Engagement with employees M Intranet and internet newsletters		Q Union engagements and activities	
GOVERNMENT AGENCIES AND AUTHORITIES 	<ul style="list-style-type: none"> Promote our support for government initiatives such as the NETR, NCCP 2.0 etc. Serve as a partner in shaping the gas and power industry's direction in Malaysia 	<ul style="list-style-type: none"> Extensive gas delivery network in Peninsular Malaysia Lower-carbon natural gas power plant Safe, efficient and reliable operations across all facilities Upholding licenses in core regulated businesses such as pipeline and regasification terminals Understanding of the latest requirements and regulations 	<ul style="list-style-type: none"> Gas supply security and reliability Economic impacts on consumers Compliance with regulations and commitment to ESG standards Health and safety of operations and their surrounding impact Business practices that uphold integrity and ethics Timely public disclosures on sustainability such as TCFD, IFRS and TNFD 	<ul style="list-style-type: none"> Formal and informal engagements Joint emergency response exercises Familiarisation visits to PGB facilities Regular reporting to government agencies
	Q Engagement programmes Y Consultative sessions			
COMMUNITIES AND NON-GOVERNMENTAL ORGANISATION (NGO) 	<ul style="list-style-type: none"> Enhance community understanding of PGB's business and operations Maintain a positive corporate image 	<ul style="list-style-type: none"> Education and social support Environmental protection and biodiversity preservation 	<ul style="list-style-type: none"> Health and safety of PGB operations and their impact on surrounding areas Need for education and social support Protection of the environment and biodiversity 	<ul style="list-style-type: none"> Implementation of social impact initiatives in education, community well-being, and environmental areas Programmes such as Powering Knowledge (education), Uplifting Lives (well-being), and Planting Tomorrow (environment) Sponsorships and donations Outreach activities to build favourable relationships with communities
	M Regular employee engagements M Intranet and internet newsletters M Progress meetings		A Email correspondence and texts Q Union engagements and activities	
MEDIA 	<ul style="list-style-type: none"> Support their role as a key communication link between the business and stakeholders Collaborate with Media to distribute vital information affecting corporate reputation and branding 	<ul style="list-style-type: none"> Transparent sharing of information Regular interaction with PGB spokespersons 	<ul style="list-style-type: none"> Business performance Environmental management and sustainability efforts New innovation and technology advancements 	<ul style="list-style-type: none"> Foster open and transparent communication with Media Provide timely responses to Media inquiries on business developments Organise activities to share updates and maintain positive rapport
	Q Press releases on quarterly performance Y Press releases on key business updates			

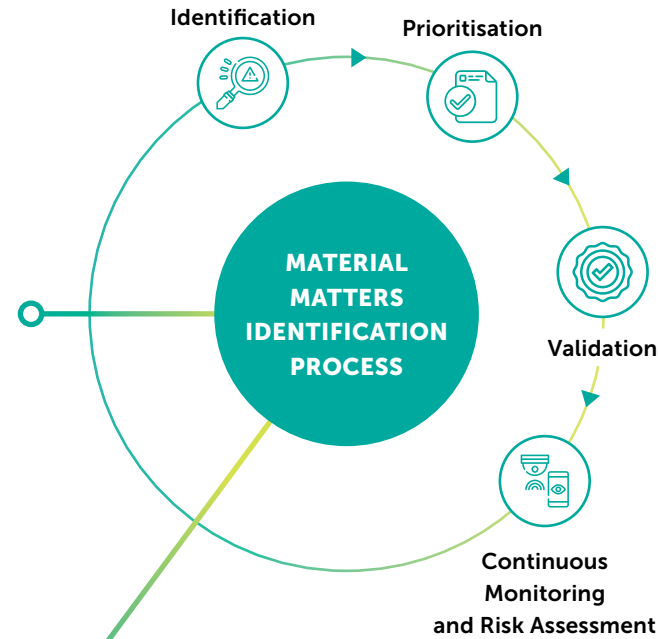
Channels and Frequency

A As required **W** Weekly **M** Monthly **Q** Quarterly **Y** Yearly

WHAT MATTERS TO US

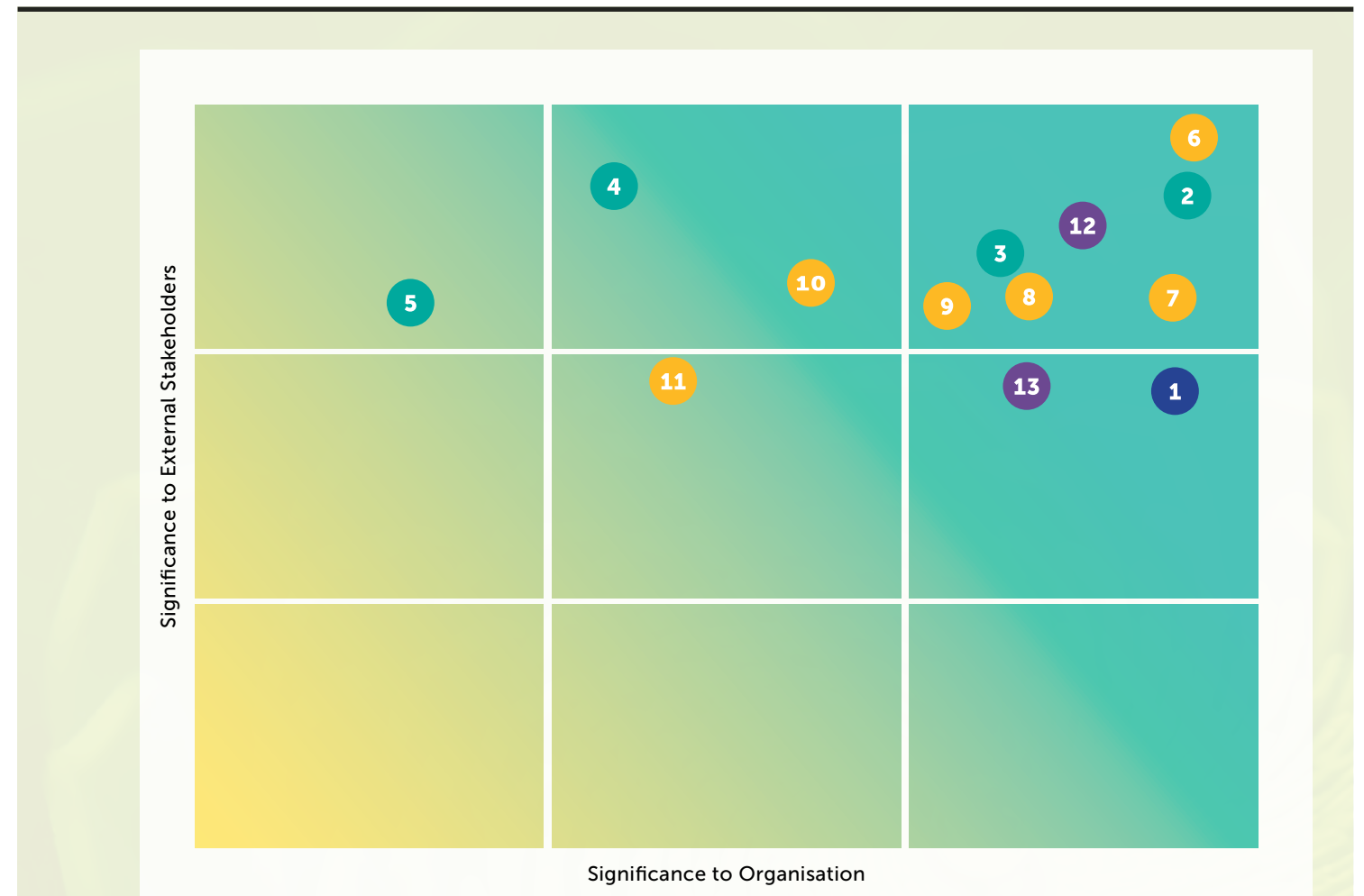
Our key sustainability matters significantly influence our ability to uphold operational and managerial excellence, drive impactful growth, and advance our ESG performance. These priorities are identified through regular materiality assessments conducted every two years. The findings are presented across sustainability governance platforms and submitted for approval by the Board. Once endorsed, these matters receive strategic direction from the Board and Leadership Team, forming the foundation for Group-wide strategies, initiatives, and action plans.

In 2024, we conducted a validation exercise to reaffirm the relevance of our material matters, confirming that all identified issues remain pertinent with no changes required. A full assessment will be undertaken in 2025, demonstrating our commitment to continuously monitor evolving stakeholder expectations and industry trends while ensuring proactive responses to the most critical issues impacting our stakeholders and businesses.



IDENTIFICATION	PRIORITISATION	VALIDATION	CONTINUOUS MONITORING AND RISK ASSESSMENT
Material matters are identified through a combination of in-house desktop analysis, comprehensive research and gathering of feedback. This involves assessing the business environment, operational factors, and resource dependencies, while considering financial, reputational, operational, environmental, social, strategic and legislative factors. Based on the matters identified, we deliberate potential risks and opportunities across the scope of each of these factors.	Material matters are ranked according to their importance to business operations and stakeholder interests. These rankings are used to create the Material Matters Matrix.	The prioritised list of material matters is reviewed and validated by the management team.	Once integrated into our strategy, the performance and risk elements related to each material matter are continuously monitored and benchmarked through key performance indicators and focus areas cascaded from the leadership team.

WHAT MATTERS TO US



ECONOMIC

1 Sustainable Value Creation

ENVIRONMENT

- 2 Mitigating Climate Change
- 3 Environmental Management
- 4 Ensuring Water Security
- 5 Biodiversity Impacts

SOCIAL

- 6 Occupational Safety and Health
- 7 Talent Management
- 8 Human Rights
- 9 Supplier Social Impacts
- 10 Equal Opportunity, Diversity and Inclusion
- 11 Community Engagement

GOVERNANCE

- 12 Business Ethics and Transparency
- 13 Cybersecurity and Data Privacy

WHAT MATTERS TO US

RISKS AND OPPORTUNITIES RELATED TO OUR MATERIAL MATTERS

As part of our approach to managing material matters, we actively monitor the risks and opportunities associated with each topic, enabling us to implement targeted strategies and drive progress in identified actionable areas.

MATERIAL MATTERS	RISK DESCRIPTION	MITIGATION OPPORTUNITIES	
SUSTAINABLE VALUE CREATION 	<ul style="list-style-type: none"> Difficulty in securing and delivering growth projects effectively Unsustainable profitability from non-regulated businesses like utilities Challenges in achieving fair tariffs for regulated businesses 	<ul style="list-style-type: none"> Explore growth opportunities in core and adjacent domains Expand into non-regulated businesses such as utilities, power, and ancillary services to enhance value Explore low-carbon and green opportunities outside of our traditional gas and utilities businesses 	
MITIGATING CLIMATE CHANGE 	<ul style="list-style-type: none"> Continuous emissions from activities like combustion, flaring, and venting Inefficient energy use Failure to adapt to climate change 	<ul style="list-style-type: none"> Enhance operational energy efficiency Implement renewable energy solutions Utilise carbon abatement technologies and energy optimisation strategies such as harnessing cold energy or converting waste to resources/energy 	
ENVIRONMENTAL MANAGEMENT 	<ul style="list-style-type: none"> Reputational and operational risks from breaches of environmental laws, regulations, or licensing conditions 	<ul style="list-style-type: none"> Improve facility performance while ensuring strict compliance with environmental regulations 	
ENSURING WATER SECURITY 	<ul style="list-style-type: none"> Fines and penalties for failing to meet regulatory requirements Overuse of water leading to negative impacts on waterways 	<ul style="list-style-type: none"> Implement water conservation initiatives Uphold effective wastewater management practices 	
BIODIVERSITY IMPACTS 	<ul style="list-style-type: none"> Irreversible damage to natural habitats Legal and reputational impacts from incidents 	<ul style="list-style-type: none"> Conduct biodiversity and ecological risk assessments for all new projects and operations 	
OCCUPATIONAL SAFETY AND HEALTH 	<ul style="list-style-type: none"> Unsustainable Health, Safety, Security and Environment (HSSE) performance affecting business, operations, and reputation 	<ul style="list-style-type: none"> Foster a safety-oriented culture by enforcing behaviour commitment from employees Implement strict health and safety standards across all operations 	

WHAT MATTERS TO US

MATERIAL MATTERS	RISK DESCRIPTION	MITIGATION OPPORTUNITIES	
TALENT MANAGEMENT 	<ul style="list-style-type: none"> Lack of sufficient skilled talent to drive sustainable value creation and growth 	<ul style="list-style-type: none"> Develop structured capability-building programmes for core and growth-related skill requirements 	
HUMAN RIGHTS 	<ul style="list-style-type: none"> Unethical hiring practices, such as forced labour within the supply chain, damaging our reputation 	<ul style="list-style-type: none"> Ensure compliance with ethical hiring procedures across all involved parties 	
SUPPLIER SOCIAL IMPACTS 	<ul style="list-style-type: none"> Inefficient manpower management affecting business and operations Reputational damage due to environmental, human rights, or regulatory violations by suppliers 	<ul style="list-style-type: none"> Create opportunities within the supply chain to support surrounding communities Enhance suppliers' capabilities in enhancing sustainability performance 	
EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION 	<ul style="list-style-type: none"> Suboptimal or non-progressive workplace practices affecting business operations 	<ul style="list-style-type: none"> Promote progressive workplace practices and encourage diversity of thought 	
COMMUNITY ENGAGEMENT 	<ul style="list-style-type: none"> Negative impacts arising from community engagements Failure to create desired impact or meet public expectations 	<ul style="list-style-type: none"> Invest consistently in long-term education, community well-being, development, and environmental initiatives 	
BUSINESS ETHICS AND TRANSPARENCY 	<ul style="list-style-type: none"> Misconduct, corruption, unethical business practices and failure to uphold integrity in operations damaging our reputation 	<ul style="list-style-type: none"> Conduct employee training on core corporate values and expected business conduct 	
CYBERSECURITY AND DATA PRIVACY 	<ul style="list-style-type: none"> Challenges in keeping up with evolving cybersecurity and data privacy risks System failures and data breaches caused by inadequate cybersecurity disrupting business operations and eroding customer trust 	<ul style="list-style-type: none"> Adopt advanced threat protection measures across all business units Conduct 24/7 network monitoring through PETRONAS' Centralised Security Operation Centre 	

OUR VALUE CREATING BUSINESS MODEL

Our business model is structured around four strategic business units that actively collaborate and integrate, ensuring optimal resource utilisation. This approach facilitates agile decision-making, focused execution, and sustainable growth, enabling us to deliver value to both PETRONAS Group and our stakeholders.

OUR VALUE PROPOSITION

- Leading Gas Infrastructure Owner**
- Robust Balance Sheet**
- World-Class Operational Performance**
- Stable Earnings**
- Sustainable Returns to Shareholders**

OUR SIX CAPITALS	CORE BUSINESS & KEY PROCESS	OUTPUT/OUTCOME	ACTIONS TO ENHANCE OUTCOMES	TRADE OFFS
<p>F FINANCIAL</p> <p>Equity funding (%): 2023: 81.4 2024: 88.5</p> <p>Debt funding (%): 2023: 18.6 2024: 11.5</p> <p>WACC (from Bloomberg) (%): 2023: 8.6 2024: 7.4</p> <p>Interest gained from investment (RM mil): 2023: 149.2 2024: 123.4</p> <p>Interest expense paid (RM mil): 2023: 169.2 2024: 102.3</p> <p>Market capitalisation (RM bil): 2023: 34.4 2024: 35.0</p> <p>N NATURE</p> <p>Natural gas processed (mmscfd): 2023: 1,873 2024: 1,977</p> <p>Freshwater withdrawal (mil m³): 2023: 8.3 2024: 8.0</p> <p>Land area (hectares): 2023: 5,103 2024: 5,145</p> <p>M MANUFACTURED</p> <p>Plant OEE (%): 2023: 99.7 2024: 99.6</p> <p>Peninsular Gas Utilisation reliability (%): 2023: 99.9 2024: 99.9</p> <p>Salesgas PDR (%): 2023: 100 2024: 100</p> <p>Utilities PDR (%): 2023: 99.5 2024: 99.1</p> <p>I INTELLECTUAL</p> <ul style="list-style-type: none"> Brand Innovation Intellectual property management System and processes <p>H HUMAN CAPITAL</p> <p>Total employees: 2023: 1,821 2024: 1,868</p> <p>Average training days per employee: 2023: 13.1 2024: 13.3</p> <p>Employee cost (RM mil): 2023: 493.4 2024: 517.9</p> <p>Investment in training per employee (RM '000): 2023: 7.4 2024: 8.7</p> <p>SR SOCIAL & RELATIONSHIP</p> <p>a) Investor and Funding Institutions b) Customers c) Business Partners d) Suppliers and Vendors e) Employees and Unions f) Government Agencies and Authorities g) Communities h) Non-governmental organisations i) Media</p>	<p>KEY PROCESS</p> <p>NATURAL GAS Salesgas Ethane Propane Butane Electricity</p> <p>WATER Steam</p> <p>AIR Nitrogen Oxygen</p> <p>Various processes such as gas processing, gas transportation, regasification and utilities to convert natural resources utilising all other key inputs into valuable products and output.</p> <p>Material Matters</p> <ul style="list-style-type: none"> Sustainable Value Creation Mitigating Climate Change Environmental Management Ensuring Water Security Biodiversity Impacts Occupational Safety and Health Talent Management Human Rights Supplier Social Impacts Equal Opportunity, Diversity and Inclusion Community Engagement Business Ethics and Transparency Cybersecurity and Data Privacy <p>Operating Landscape</p> <ul style="list-style-type: none"> Competitive Market Incentive Based Regulation Increase in Fuel Gas Price Volatility of Forex Rate Impact From COVID-19 Pandemic Heightened Sustainability Requirements 	<p>F Operating profit (RM bil): 2023: 2.3 2024: 2.3</p> <p>Cash from operating activities (RM bil): 2023: 3.0 2024: 3.2</p> <p>EBITDA (RM bil): 2023: 3.3 2024: 3.4</p> <p>N GHG emissions (tCO₂e): Scope 1 2023: 5,859,402 2024: 6,074,946</p> <p>Scope 2 2023: 49,165 2024: 51,319</p> <p>Scope 3 2023: 2,249 (Category 6) 2024: 5,055 (Category 6 & 7)</p> <p>M Salesgas delivered (mmscfd): 2023: 2,187 2024: 2,455</p> <p>Ethane delivered (MT/hr): 2023: 136 2024: 133</p> <p>Electricity generated (GWh): 2023: 1,568 2024: 1,680</p> <p>I Key results areas (G5dot5): Number of KRAs: 2023: 90 2024: 60</p> <p>Value Creation (RM mil): 2023: 259.3 2024: 131.2</p> <p>Organisational Excellence Management System enhancement.</p> <p>H Total employees: 1,868 Achieved 97.7% manning strength</p> <p>Average training days per employee: 13.3 Increased by 1.5%</p> <p>SR PETRONAS Vendor Development Programme Safety toolbox talk sessions with contractors PETRONAS Powering Knowledge Programme with school children PETRONAS Uplifting Lives Programme with communities in need PETRONAS Planting Tomorrow Programme Contractor HSSE Mentoring and Coaching Programme</p>	<p>Enhancing financial capital efficiency</p> <ul style="list-style-type: none"> Adopting technology and innovative solutions to optimise unit costs and operating expenses. Ensuring timely contract renewals and engaging closely with regulators to achieve mutually favourable terms for long-term agreements. Ensuring sustainable returns for shareholders in accordance with industry benchmarks. Implementing optimal hedging strategies to mitigate potential forex exposure. <p>Managing natural resources</p> <ul style="list-style-type: none"> Investing in research, development, and technologies to enhance energy efficiency, reduce negative impacts on natural elements, minimise pollution, and promote water stewardship. Setting annual targets for reducing waste disposal and greenhouse gas (GHG) emissions. Investing in initiatives to meet clean air regulation requirements. <p>Elevating asset performance</p> <ul style="list-style-type: none"> Focusing on PGB Strategic Agenda (G5dot5) progress in sustaining operational excellence while pursuing business growth and elevating project and commercial excellence. Leveraging digital initiatives in supporting business requirements by providing solutions based on the latest technology to enhance operational efficiency and innovation while creating value. <p>Leveraging intellectual capital</p> <ul style="list-style-type: none"> Standardisation of processes to eliminate errors, enhance quality and free resources for more value-added tasks. The establishment of Change Order Committee for overall control on Joint-Venture project change management. <p>Nurturing people</p> <ul style="list-style-type: none"> Accelerate capability building by introducing enhanced tailored programmes to strengthen leadership and technical expertise, while developing emerging skill sets to support the execution of growth-related projects. Fostering a culture of continuous learning through workshops, e-learning platforms, and on-the-job training. <p>Engaging stakeholders</p> <ul style="list-style-type: none"> Continuously promote gas as a cleaner energy source and advocating its role as the best clean fuel in the energy transition. Leveraging technical expertise for potential business opportunities. Supporting government initiatives, including the NETR and sustainability events like Hari Alam Sekitar Negara and local council engagements. Adopting a proactive, strategic approach to engaging ministries, authorities, and policymakers. Collaborating with NGOs to leverage their platforms and enhance sustainability programme outcomes. 	<p>By strategically investing financial capital in maintaining our plants and managing ageing assets, we strive to uphold operational excellence while enhancing value across our manufactured, human, intellectual, and social and relationship capitals.</p> <p>Our business processes and emissions impact natural resources. To address and minimise this effect, we leverage our financial, asset, and human capital.</p> <p>In the short-term, we utilise and deplete our financial capital to enhance asset performance. However, in the long term, this contributes positively to our financial, natural, human, and social and relationship capitals.</p> <p>When we invest in intellectual capital, this reduces our financial capital for the short-term. Nevertheless, over the longer term, our financial, natural, human as well as social and relationship capitals will all be strengthened.</p> <p>While investing in learning and development may initially impact operational expenditures, it is expected to deliver long-term benefits. These include enhanced productivity and the sustained performance of the organisation.</p> <p>We invest in our social and relationship capital for long-term financial capital growth. Investing in social and relationships is a long-term initiative and will be done on a continuous basis to ensure positive outcomes. PGB has invested in a dedicated stakeholder management team to ensure comprehensive engagement plans and implementation.</p>

OUR STRATEGIC AGENDA

OUR STRATEGIC AGENDA

Launched in early 2023, the PGB Strategic Agenda serves as a comprehensive roadmap to ensure sustainable success over the short- to medium-term. It ensures we uphold excellence across all areas of our operations to drive sustainable value creation for stakeholders. At the same time, it promotes effective management of our growth portfolio, balancing expansion of our core business with investments in non-core and step-out opportunities and green projects to future-proof the organisation and secure long-term resilience.

The PGB Strategic Agenda strongly emphasises HSSE, sustainability, digitalisation, systems, and people, establishing Key Performance Indicators (KPIs) across these focus areas to drive concentrated efforts towards our targets. By meeting these KPIs, we unlock cost savings that bolster our profitability while ensuring we remain a high-performing, safe, reliable, and efficient organisation prepared to thrive in an evolving energy landscape.

Our ASPIRATION

A Leading Gas Infrastructure and Utilities Company



Our WINNING FORMULA



Our AMBITIONS and TACTICAL THEMES

2030

Deliver high impact growth projects

- Effective portfolio management
- Excellent customer centric solution

Deliver projects safely within budget, time frame and quality

- Competitive project strategy & solutions
- Flawless project delivery execution

Deliver top performance in key operating metrics

- Sustain world-class plant performance
- Optimise cost & energy

Our ENABLERS

HSSE . Sustainability . Digital . System . People

Our strategic agenda remains guided by the four Sustainability Lenses.

	Sustainable Value Creation Drive long-term business value creation through responsible investments.
	Safeguard the Environment Collaboratively reduce environmental impact by transitioning to lower-carbon energy solutions and deploying innovative operations and technologies.
	Positive Social Impact Create positive alliances with the communities in which we operate by protecting and adding value to the well-being of employees, partners and society.
	Responsible Governance Safeguard the organisation's commitment through strong governance mechanisms and ethical business practices.



WINNING FORMULA

Our winning formula is anchored on four pillars: growth, commercial excellence, project excellence and operational excellence. These focus areas have been carefully identified to address internal and external challenges, ensuring PGB remains resilient and relevant in navigating shifting industry dynamics. Supporting these pillars are our enablers—HSSE, Sustainability, Digital, Systems and People—which serve as the foundation of our strategy. Together, they ensure the pillars operate seamlessly, driving progress towards the realisation of the PGB Strategic Agenda.



AMBITIONS AND TACTICAL THEMES

PGB has defined specific strategic goals for each pillar to measure success. For growth and commercial excellence, our goal is to deliver high-impact projects that drive sustainable value creation and balance our portfolio amidst the evolution of the energy industry. Under project excellence, our ambition is to execute projects within budget, on schedule and to the highest quality standards, without compromising on safety.

For operational excellence, we have established five key targets to sustain and enhance performance:

Achieve top performance in OEE	Achieve top performance in unit cost efficiency	Achieve top performance in Energy Index	Achieve top quartile in ESG ratings	Cultivate a generative HSSE culture
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Overall Equipment Effectiveness (OEE)

OEE measures plant performance against its potential, identifying sources of inefficiency within the operation. It evaluates how effectively equipment is utilised during its available time.

Since 2019, our assets have consistently achieved top performance in OEE, reflecting our commitment to meeting customer requirements. Strong plant performance is essential for maintaining reliability as a supplier and maximising incentives from long-term agreements.

Unit Cost

Unit cost refers to the cost incurred to produce a single unit of a product or service. It is determined by dividing the total production cost by the number of units produced. Measuring unit cost is essential for assessing efficiency, benchmarking products or services, and identifying opportunities for cost savings. Striving for top performance in unit cost target ensures that PGB remains competitive in comparison with our industry peers.

Energy Index (EI)

The EI evaluates and quantifies the energy performance or efficiency of a system, process, facility or organisation. It measures how effectively energy resources are utilised to produce products and deliver services. By leveraging the latest technologies and implementing operational adjustments, PGB remains committed to maintaining top performance efficiency, thereby enhancing our sustainability performance.

Environmental, Social and Governance (ESG)

ESG ratings assess a company's performance in managing the environmental, social and governance aspects of its operations. These ratings are widely used by investors and stakeholders to evaluate a company's sustainability and investment risk.

ESG rating providers, such as FTSE4Good, employ diverse methodologies and data sources to determine a company's commitment to sustainability. Attaining a top quartile ESG rating underscores PGB's dedication to sustainability, responsible governance and its relevance to both shareholders and the market.

OUR STRATEGIC AGENDA

Generative HSSE Culture

A Generative HSSE Culture emphasises doing the right thing, even in the absence of oversight. It is built on four key principles:

Ownership: Leaders lead by example, and everyone takes strong ownership of HSSE, recognising that strong HSSE performance adds value and contributes to business success.

Mindfulness: HSSE is ingrained in our actions because it is the right thing to do, not because someone is watching.

Interdependence: We look out for one another, keeping potential risks and errors top of mind. Recognising that no one has all the answers, everybody can contribute to HSSE.

Courage: We are empowered to intervene when encountering unsafe conditions or behaviours and embrace similar interventions from our colleagues.

To achieve these targets, our initiatives are structured under the following tactical themes:



OUR ENABLERS

HSSE	Sustainability	Digital	System	People
<p>PGB is committed to providing a safe working environment for all stakeholders.</p> <p>To sustain strong HSSE performance, we aim to cultivate a Generative Culture.</p>	<p>PGB's sustainability agenda focuses on four key lenses:</p> <ul style="list-style-type: none"> Sustainable Value Creation Safeguard the Environment Positive Social Impact Responsible Governance 	<p>The three digital priorities supporting the PGB Strategic Agenda are:</p> <ol style="list-style-type: none"> Digital as a catalyst for new ways of working and data analysis. Accelerating the adoption of analytic maturity towards cognitive analytics. Digital as an enabler of value creation. 	<p>PGB's key levers in shaping the company into a high-performing, efficient and reliable organisation include:</p> <ol style="list-style-type: none"> Management System & Work Process – A set of policies, procedures and processes integrated with a dynamic improvement cycle. Principle of Empowerment – Bringing decision-making closer to where the actions occur, enhancing efficiency. 	<p>PGB strives to create a conducive ecosystem where its employees are Empowered, Agile and Enabled:</p> <ol style="list-style-type: none"> Empowered: Equipped with the right knowledge and tools to achieve their goals. Agile: Provided with the freedom and space to overcome challenges in pursuit of their goals. Enabled: Given the resources and means to take action towards achieving their goals.

STRATEGIC FOCUS AREAS AND KEY PERFORMANCE INDICATORS

OPERATIONAL EXCELLENCE				
Strategic Focus Areas	Key Performance Indicators	2024 Initiatives and Results	2025 Priorities	Medium-/Long-term Plan
HSSE: Ensure safe operations at all facilities.	<ul style="list-style-type: none"> Zero Major HSSE incidents (including Fatality, Lost Time Injuries (LTIs), Major Fire and Major Loss of Primary Containment (LOPC)) Zero Major Security Incident 	<ul style="list-style-type: none"> Zero Fatality, Zero Major Fire, Zero Major LOPC and three LTIs Zero Major Security Incident 	<ul style="list-style-type: none"> Enhance the preparation and execution of high-risk activities, particularly at project sites, while maintaining best practices in day-to-day operations 	<ul style="list-style-type: none"> Proactively monitor leading indicators, focusing on high-risk activities, for early detection of potential non-compliance, while strengthening existing systems
Operations: Drive efficiencies and maintain high reliability of asset performance.	Plant reliability and efficiency metrics: <ul style="list-style-type: none"> PGB EI PGB OEE PGB Reliability PGU PDR 	<ul style="list-style-type: none"> PGB EI: 92.8% PGB OEE: 99.6% PGB Reliability: 99.7% PGU PDR: 100% 	<ul style="list-style-type: none"> Continue measuring and monitoring key operational parameters to sustain efficient and reliable asset performance in meeting customer demand requirements 	<ul style="list-style-type: none"> Materialise PGB Strategic Agenda targets through the execution of identified Key Results Areas to maximise sustainable value creation
Project Delivery: Ensuring project execution meets HSSE targets, timelines, budgets, and quality standards in alignment with stakeholder expectations.	<ul style="list-style-type: none"> 70% Safe OTOBOS (On Time, On Budget, On Scope) 	<ul style="list-style-type: none"> Projects achieved 70% Safe OTOBOS Establishment of new PGB Project Management System 	<ul style="list-style-type: none"> Improve Safe OTOBOS performance to 80% by conducting regular risk assessments, implementing enhanced monitoring processes, proactively addressing potential HSSE concerns, and ensuring continuous compliance with project governance standards Evaluate the effectiveness of the PGB Project Management System to ensure optimal performance and flexibility, while strengthening the assurance programme to enhance oversight, efficiency, and quality throughout project execution 	<ul style="list-style-type: none"> Enhance the competency of the project management fraternity in risk management, stakeholder engagement, and project planning and execution to ensure seamless project delivery
Sustainability: Meet sustainability disclosure requirements while advancing the agenda to achieve Net Zero Carbon Emissions (NZCE) by 2050.	<ul style="list-style-type: none"> FTSE4Good Rating GHG Emissions Reduction 	<ul style="list-style-type: none"> FTSE4Good: 4.7 GHG Emissions Reduction: 156,546 tCO₂e 	<ul style="list-style-type: none"> Address remaining gaps in FTSE4Good especially climate change theme Execute and implement GHG emissions reduction projects for 2025 	<ul style="list-style-type: none"> Ensure compliance with emerging reporting requirements and conduct reasonable assurance for emissions Achieve PGB's NZCE 2050 Pathway targets across short-, medium-, and long-term horizons through the execution of carbon reduction, monetisation, Carbon Capture and Storage, and offset projects

STRATEGIC FOCUS AREAS AND KEY PERFORMANCE INDICATORS

COMMERCIAL EXCELLENCE CE				
Strategic Focus Areas	Key Performance Indicators	2024 Initiatives and Results	2025 Priorities	Medium-/Long-term Plan
<p>Retain business: Ensure the renewal and extension of current commercial contracts.</p> <p>Capture new business: Expand business to secure new commercial contracts.</p> <p>Advocate for natural gas: Engage with regulators to promote natural gas.</p>	<ul style="list-style-type: none"> Achievement for key milestones for commercial contracts, growth projects and opportunities identified 	<ul style="list-style-type: none"> Commercial Execution for Sales and Purchase Agreement for Supply of Electricity and Utilities to PCG PCC Oxyalkylates Sdn. Bhd. Contract Extension for the Standby Electricity Supply Agreement with Tenaga Nasional Berhad for Gas Processing and Utilities Plants 	<ul style="list-style-type: none"> Proactively pursue contracts and customers beyond the captive market to secure new business opportunities and broaden market reach Engage in strategic ventures to optimise the growth and profitability of the Utilities and Industrial Gases segment Secure new business in Green Electricity supply to diversify the energy mixture portfolio of PGB 	<ul style="list-style-type: none"> Explore and capitalise on emerging opportunities in renewable energy and sustainability-focused businesses, aligning with market trends and evolving regulatory demands Strengthen the Utilities and Industrial Gases segment to be more robust and competitive

GROWTH GR				
Strategic Focus Areas	Key Performance Indicators	2024 Initiatives and Results	2025 Priorities	Medium-/Long-term Plan
<p>High Impact Growth: Focused execution of identified growth opportunities within core business and adjacent value pools.</p>	<ul style="list-style-type: none"> Achievement of key milestones for identified growth opportunities 	<ul style="list-style-type: none"> Achieved Final Investment Decision for projects such as construction and operation of an additional 100 MW Kimanis Power Plant in Sabah and installation of a new compressor station at Jeram, Selangor Received Initial Letter of Notification for the development of construction of 120 MW power plant in Labuan 	<ul style="list-style-type: none"> Explore opportunities in the energy transition space in alignment with the NETR roadmap Forge strategic partnerships and collaborations to access new markets and opportunities, particularly with industrial utilities and power sector players Explore step-out and adjacent projects by leveraging PGB assets to venture beyond traditional business domains 	<ul style="list-style-type: none"> In the long-term, we will continue to explore opportunities in the energy transition space and ventures beyond traditional business domains

STRATEGIC FOCUS AREAS AND KEY PERFORMANCE INDICATORS

PEOPLE, SYSTEMS AND CULTURE PC				
Strategic Focus Areas	Key Performance Indicators	2024 Initiatives and Results	2025 Priorities	Medium-/Long-term Plan
<p>Talent: Consistent implementation of talent development strategies and initiatives.</p>	<ul style="list-style-type: none"> Fostering a sturdy talent pipeline to ensure a continuous pool of successors and skilled professionals required for core operation and growth 	<ul style="list-style-type: none"> Sufficient and optimise resources to support operational excellence and growth PGB maintains healthy ratio for Succession Planning to enable the matching of the right talents to the right positions for breakthrough performance Sufficient skilled talent supply to support core operational and growth requirements at close to 98% manning strength 	<ul style="list-style-type: none"> Align manpower requirements with business goals, ensuring adaptability to changes in business outlook and strategy Strengthen PGB succession planning, which is crucial for organisational sustainability, and ensure a ready pool of qualified staff to take on critical positions aligned with legal and regulatory requirements 	<ul style="list-style-type: none"> Maintain continuous efforts to develop a talent ecosystem equipped to support and execute growth-related projects
<p>Culture: Strengthen Culture of Accountability.</p>	<ul style="list-style-type: none"> PETRONAS Organisational Culture Survey 2024 result 	<ul style="list-style-type: none"> 51 engagement sessions continuously sustain an engaging and conducive work experience and foster the desired organisational culture 	<ul style="list-style-type: none"> Continue implementing culture programmes and activities with targeted groups in fostering psychological safety environment 	<ul style="list-style-type: none"> Continue to accelerate and strengthen the Culture of Accountability across the organisation
<p>Systems and work processes: Implement efficient and sustainable systems and work processes.</p>	<ul style="list-style-type: none"> Execution of Sustainment Programmes at identified sites, focusing on Management Systems, Work Processes and Empowerment (3PLAY) 	<ul style="list-style-type: none"> All sites have successfully executed Sustainment Programmes 	<ul style="list-style-type: none"> Continue improvement efforts towards a work process-based and empowered organisation 	<ul style="list-style-type: none"> Implement an effective 3PLAY Sustainment Programmes, which will include aspects such as Value Impact Assessments, Networking, Validation Programmes and Empowerment Assessments

RISKS LINKED TO STRATEGY

Operating in a rapidly evolving energy sector, effectively managing a diverse range of risks is critical to sustaining operational excellence and achieving our strategic growth and sustainability objectives. We embrace a proactive and systematic approach to identifying current and emerging risks that could influence our business strategies. Through targeted mitigation efforts, we aim to minimise their impact while uncovering opportunities to strengthen our resilience.

This section highlights key risk categories with mitigation strategies to address the risks effectively.

HSSE

Unsustainable HSSE performance, such as non-compliance with safety protocols or environmental standards.

Impact to PGB

Potential operations suspension due to safety incidents or environmental violations may lead to operational disruptions, financial penalties, and reputational harm.

Mitigation Actions and Opportunities

- Implementation of an enhanced system i.e. Electronic Permit to Work+ 2.0 to address behavioural compliance related to work permits and operational procedures.
- Implementation and continuous of HSSE strategic initiatives and generative culture.

Risk Rating: High	Risk Trend: Same/maintain
Strategic Agenda: Enablers (HSSE)	Materials Matters: Environmental Management Occupational Health and Safety
Stakeholder Groups: Government Agencies and Authorities	Communities

CYBERSECURITY

Growing exposure to sophisticated cyber threats targeting critical business operations, data systems, and sensitive information.

Impact to PGB

Cyber-attacks may disrupt our operations, leading to financial losses, reputational damage, and lost opportunities.

Mitigation Actions and Opportunities

- Continuous enforcement of comprehensive Enterprise Cyber Security Governance Framework to strengthen cybersecurity oversight.
- Upgraded the outdated operating systems to mitigate vulnerabilities as part of the obsolescence system management plan.

Risk Rating: Medium	Risk Trend: Same/maintain
Strategic Agenda: Enablers (Digital)	Materials Matters: Cybersecurity and Data Privacy
Stakeholder Groups: Suppliers and Vendors Media Government Agencies and Authorities	

SUSTAINABILITY

Failure to meet sustainability requirements in accordance with increasing stakeholder and regulatory expectations.

Impact to PGB

Suboptimal sustainability ratings could result in missed business opportunities and reputational impacts on stakeholder trust and investor confidence.

Mitigation Actions and Opportunities

- Successful implementation of key initiatives within our Sustainability Blueprint during 2024, including meeting TCFD disclosures and undertaking Social Impact Management programmes.
- Execution of sustainability strategy to reduce GHG emissions through carbon abatement and portfolio greening initiatives.

Risk Rating: Medium	Risk Trend: Increasing
Strategic Agenda: Enablers (Sustainability)	Materials Matters: Mitigating Climate Change
Stakeholder Groups: Investors and Funding Institutions Media	

GROWTH

Inability to effectively secure and deliver growth projects that are critical for driving profitability and ensuring long-term shareholder value.

Impact to PGB

The inability to capitalise on market opportunities may result in diminished profitability and suboptimal returns to shareholders.

Mitigation Actions and Opportunities

- Collaborated with industry players and government stakeholders in shaping relevant policies that drive potential expansion of gas infrastructure in line with national energy objectives.
- Developed strategies to acquire industry knowledge in targeted growth areas.
- Upskilling our workforce and recruiting external expertise to enhance internal talent to support growth.

Risk Rating: High	Risk Trend: Improved
Strategic Agenda: Winning formula (Growth)	Materials Matters: Sustainable Value Creation
Stakeholder Groups: Investors and Funding Institutions Government Agencies and Authorities	Customers Business Partners

PROJECT DELIVERY

Failure to deliver critical projects On Time, On Budget, On Scope in accordance with operational and growth commitments.

Impact to PGB

Potential delay in monetisation of growth projects and operational disruptions, undermining PGB's reputation for operational excellence.

Mitigation Actions and Opportunities

- Enhanced project oversight and divisional functions to strengthen the execution of projects.
- Strategic collaboration with PETRONAS Group Procurement to ensure the availability of reliable contractors for incoming projects.

Risk Rating: High	Risk Trend: Same/maintain
Strategic Agenda: Winning formula (Project excellence)	Materials Matters: Sustainable Value Creation
Stakeholder Groups: Suppliers and Vendors Employees and Unions	Government Agencies and Authorities Communities

LEGAL & REGULATORY

Breach of five critical legal areas – Sanction, Competition, Ethics and Integrity, Export Control, Data Privacy or license requirement.

Impact to PGB

Non-compliance may result in financial penalties, legal action, reputational damage and lack of stakeholder trust.

Mitigation Actions and Opportunities

- Strengthened legal and compliance governance by implementing the PETRONAS Legal Compliance Framework, adhering to corporate liability guidelines, and aligning with international human rights principles.
- Enhanced anti-bribery and integrity measures, regulatory engagements, legal register updates, continuous compliance communication, and audit assurance.

Risk Rating: Medium	Risk Trend: Increasing
Strategic Agenda: Enablers (People)	Materials Matters: Business Ethics and Transparency
Stakeholder Groups: Business Partners Suppliers and Vendors	Employees and Unions Government Agencies and Authorities

FINANCIAL

Uncertainty in managing persistent market volatility leading to adverse foreign exchange exposure.

Impact to PGB

Prolonged forex exposure, with potential impacts to our revenue and profitability.

Mitigation Actions and Opportunities

- Execution of hedging strategies for identified foreign exchange currency exposure in project and operational areas.

Risk Rating: Medium	Risk Trend: Same/maintain
Strategic Agenda: Winning formula (Commercial Excellence)	Materials Matters: Sustainable Value Creation
Stakeholder Groups: Investors and Funding Institutions	Business Partners

BUSINESS REVIEW

BUSINESS REVIEW



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

GAS PROCESSING

REVENUE

RM1.87
billion

GROSS PROFIT

RM0.80
billion

SEGMENT ASSET

RM4.44
billion

HUMAN CAPITAL

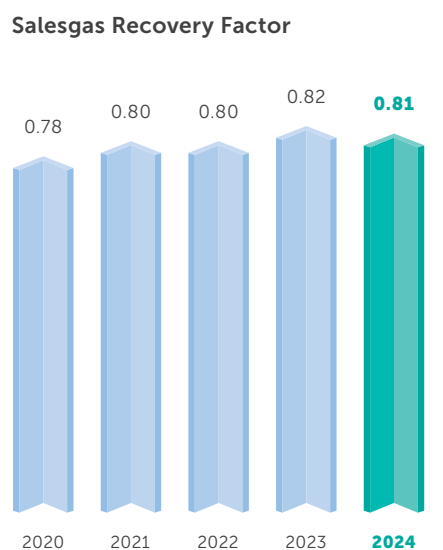
- Male **904**
- Female **96**
- Total Staff **1,000**

OPERATIONAL PERFORMANCE

2024 Operational Metrics

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

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	<ul style="list-style-type: none"> 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 	<p>Despite more stringent requirements imposed in the 3rd 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.</p>	<p>Continued to pursue strategic business growth opportunities aligned with the Environmental, Social and Governance agenda for Gas Processing plants.</p>

RESPONSE TO CHALLENGES AND RISKS

Challenges and Risk	Mitigation	
HSSE	<ul style="list-style-type: none"> 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"> Implement proactive measures to uphold a culture of compliance: <ul style="list-style-type: none"> Accountability: Hold individuals accountable through the use of leading indicators and daily risk dashboards. 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. 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. External Risk Management: Mitigate external risks by implementing the External Risk Management (ExRM) programme, ensuring enhanced protection and compliance at GPU. Undertook long-term solution through project enhancements, with existing interim measures through operational control measures of effluent treatment by improving chemical injection management. Continue pursuing carbon abatement initiatives to support sustainability goals and reduce emissions.
Operational Excellence	<ul style="list-style-type: none"> External threats affecting feed gas reliability and availability. Sustaining high asset reliability amidst aging facilities. 	<ul style="list-style-type: none"> 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. Sustain asset reliability at >99% to ensure uninterrupted supply to customers through execution of reliability KRAs established in the GPU Playbook. Execution of improvement projects adopting "future-proof" concept to manage forecasted variation of feed gas composition and contamination, securing long-term plant operability. Focused efforts on reliability and integrity through sweeping and hunting initiatives to identify potential loss of containment. 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	<ul style="list-style-type: none"> 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

BUSINESS REVIEW

GAS TRANSPORTATION



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

REVENUE

RM1.20
billion

GROSS PROFIT

RM0.59
billion

SEGMENT ASSET

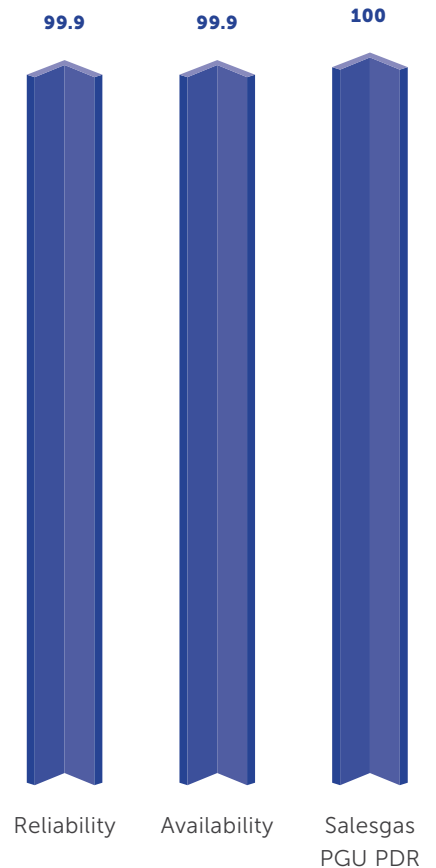
RM4.35
billion

HUMAN CAPITAL

Male	294	
Female	31	
Total Staff	325	

OPERATIONAL PERFORMANCE

2024 Operational Metrics (%)



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	Operational Excellence (OE)	Commercial Excellence (CE)	Growth (GR)
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. 	<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	<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	<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	<ul style="list-style-type: none"> i. Leverage a robust and continuous monitoring and control system to ensure zero supply interruptions. ii. Dedicate a strong focus on ensuring our transportation infrastructure remains intact and resilient.
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. 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

BUSINESS REVIEW

REGASIFICATION



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

REVENUE

RM1.36
billion

GROSS PROFIT

RM0.60
billion

SEGMENT ASSET

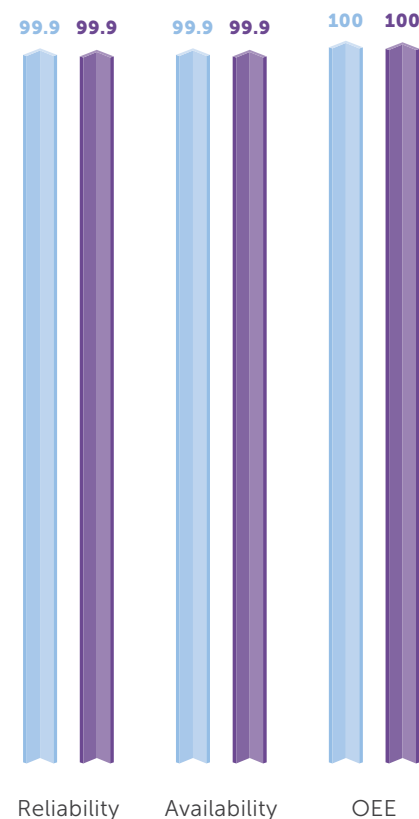
RM4.47
billion

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"> Zero Major HSSE Incident Zero Major Security Incident
Financial Excellence	<ul style="list-style-type: none"> Continuous Cost Optimisation initiatives Timely execution and completion of CAPEX as per Suruhanjaya Tenaga approved plan
Operational Excellence	<ul style="list-style-type: none"> RGTSU and RGTP OEE at 100% Reliability at 99.9% 100% Regulatory Compliance Zero Recurrence of High Findings by Third Line Audit
S&I and Project Delivery Excellence	<ul style="list-style-type: none"> Growth Projects achieved FID as planned* 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	<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>
		GR Growth
		<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	<p>Ensured that our OEE is maintained at world-class standards.</p> <p>High number of critical activities and projects leading to higher exposure to HSSE risks.</p>	<ul style="list-style-type: none"> Foster close partnerships with internal and external stakeholders to drive the effective implementation of the Let's Comply & Intervene campaign and Stop Work policy. Enhance the cultivation of an HSSE Generative Culture among staff and partners. 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. Emphasise HSSE Accountability and Behavioural Reinforcement/Balance of Consequences for a SSOW, covering chemical management, MOC, SW, and fitness-to-work standards. Implement the PGB Contractor Mentorship Programme for identified contractors based on HSSE performance and site execution compliance. 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	<p>Sustaining Operational Excellence while managing ageing assets to ensure a continuous business value chain.</p> <p>Ensured that our OEE is maintained at world-class standards.</p>	<ul style="list-style-type: none"> Managing equipment efficiency to ensure plant reliability and optimal security of gas supply. Evaluate the integrity of existing assets and effectively manage ageing facilities to ensure optimal gas supply security. Deliver project excellence for maximising the business value chain capacity i.e. floating LNG storage in Pengerang. Continuous preventive maintenance and predictive analysis on equipment effectiveness.
Business Environment	Delivering performance with regulated assets in a volatile and evolving market environment.	<ul style="list-style-type: none"> Ensure efficient and optimised O&M practices to meet national energy demands. Utilise digital tools and technology to improve efficiency and deliver performance at a competitive cost. 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.

BUSINESS REVIEW

BUSINESS REVIEW



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

UTILITIES

REVENUE

RM2.11
billion

GROSS PROFIT

RM0.28
billion

SEGMENT ASSET

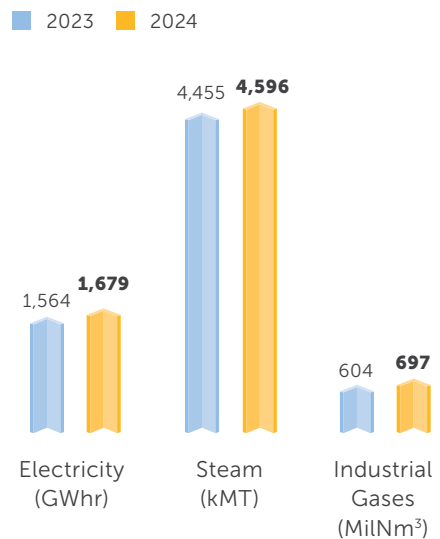
RM1.78
billion

HUMAN CAPITAL

- Male **205**
- Female **11**
- Total Staff **216**

OPERATIONAL PERFORMANCE

Utilities Kertih (UK) and Utilities Gebeng (UG)



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

SR 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	GR Growth
Initiatives	<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. 	<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. 	<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"> 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	<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	<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

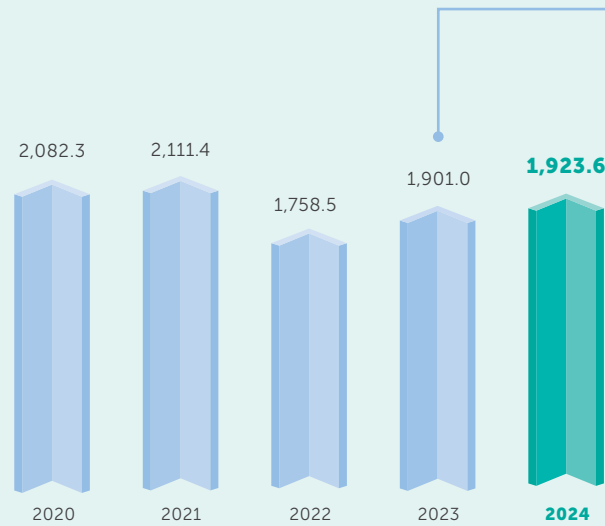
Short-term	<ul style="list-style-type: none"> In the short-term, we aim to enhance the implementation of agile configurations for our COGEN plants, enabling greater optimisation of power generation efficiency in response to dynamic product demand. Additionally, addressing reliability threats remains 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.

FINANCIAL REVIEW

5-Year Group Financial Review

ANALYSIS OF PROFIT AFTER TAX (RM mil)

2023



Compared to financial year 2022 (FY2022), profit was higher on the back of continued operational excellence and further supported by stronger margin from Utilities segment as well as higher contribution from joint venture companies.

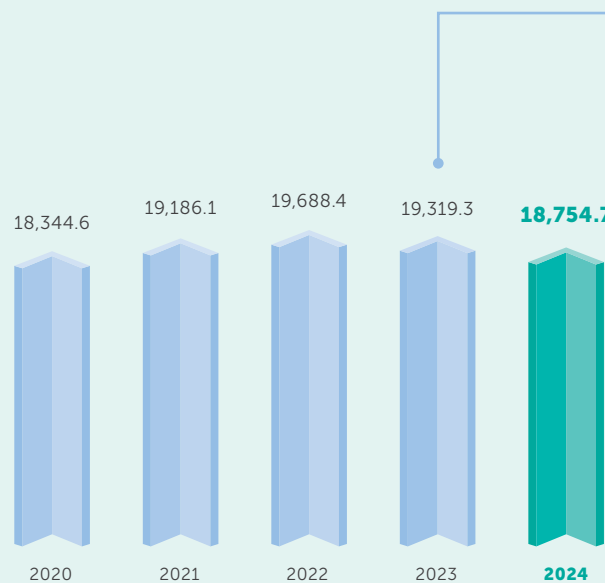
2024

Compared to financial year 2023 (FY2023), profit increased by 1.2% to RM1,923.6 million, driven by revenue growth from the Gas Transportation and Processing segments and effective cost optimisation, while lower contributions from joint ventures were offset by lower financing costs.

ANALYSIS OF TOTAL ASSETS (RM mil)

Item	2020	2021	2022	2023	2024
Property, plant and equipment	13,216.2	13,272.4	13,408.4	13,630.5	13,915.9
Fixed assets	11,856.0	11,481.9	11,435.0	11,446.9	12,156.9
Project-in-progress	1,360.2	1,790.5	1,973.4	2,183.6	1,759.0
Trade and other receivables	744.5	889.6	990.0	926.6	961.5
Cash and cash equivalents	3,138.9	3,782.5	4,026.2	3,527.9	2,595.7

2023



Compared to FY2022, total assets decreased due to lower cash balance as a result of early settlement of a lease liability, partially offset by higher property, plant and equipment balances and investments in joint ventures balances in tandem with higher capital expenditure and share of profit respectively.

2024

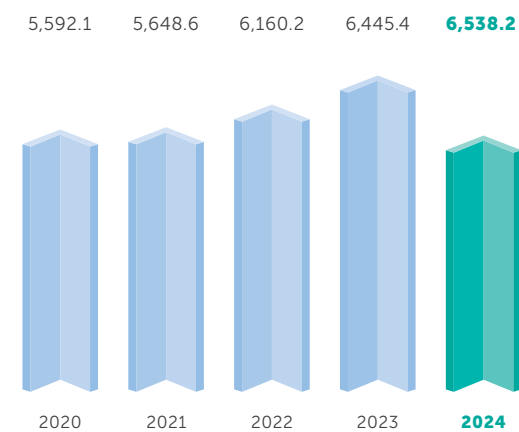
Compared to FY2023, total assets recorded a slight decline, mainly due to bullet repayment of Islamic financing facility, partially cushioned by cash generated from operations during the year. Despite this, the Group maintained a healthy financial position, ensuring resilience and readiness for future growth.

FINANCIAL REVIEW

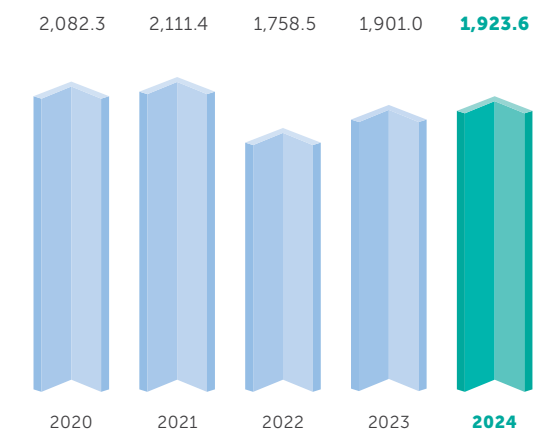
5-Year Group Financial Summary

Year	2020	2021	2022	2023	2024
Revenue (RM mil)	5,592.1	5,648.6	6,160.2	6,445.4	6,538.2
Profit after tax (RM mil)	2,082.3	2,111.4	1,758.5	1,901.0	1,923.6
EBITDA (RM mil)	3,566.2	3,558.3	3,244.5	3,267.2	3,354.7
Dividend per share (sen)	127.0	82.0	72.0	72.0	72.0
Earnings per share (sen)	101.6	100.5	83.2	92.0	92.8
Total assets (RM mil)	18,344.6	19,186.1	19,688.4	19,319.3	18,754.7
Total equity (RM mil)	12,968.6	13,339.5	13,409.8	13,815.2	14,238.8
Market capitalisation (RM bil)	34.0	35.6	33.9	34.4	35.0
Closing share price (RM)	17.18	18.00	17.12	17.40	17.68

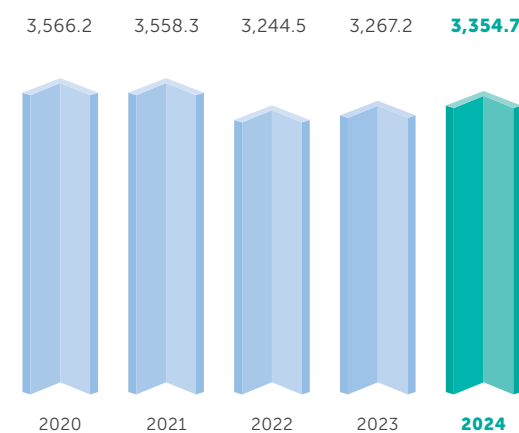
REVENUE (RM mil)



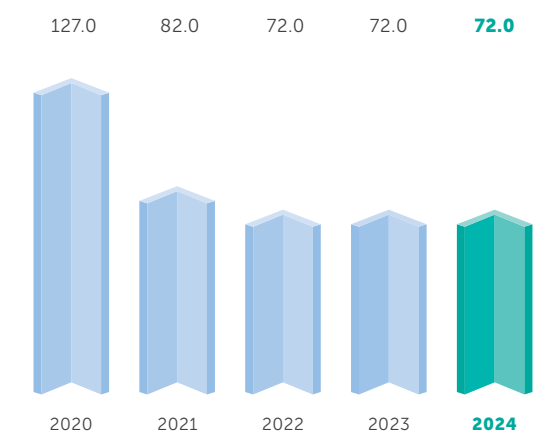
PROFIT AFTER TAX (RM mil)



EBITDA (RM mil)



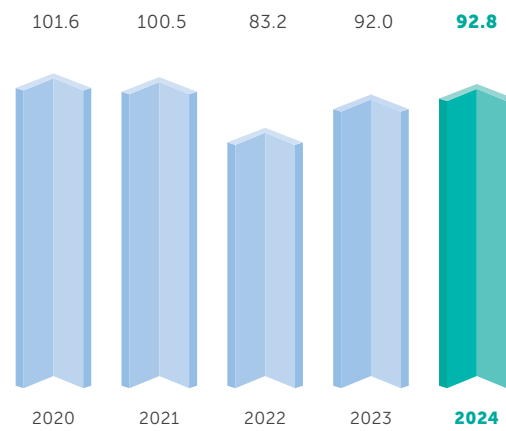
DIVIDEND PER SHARE (sen)



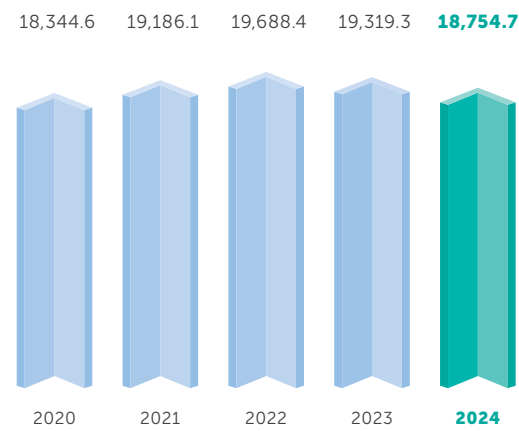
FINANCIAL REVIEW 5-Year Group Financial Summary

FINANCIAL REVIEW 5-Year Group Financial Information

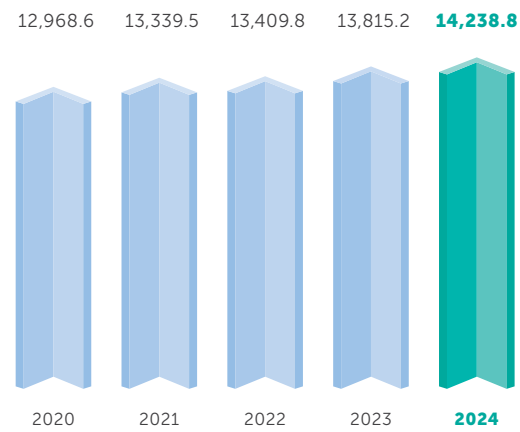
EARNINGS PER SHARE (sen)



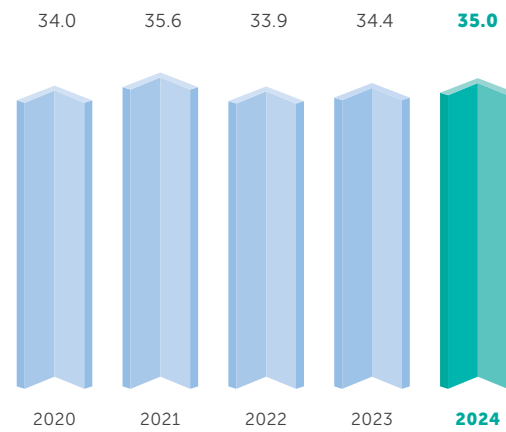
TOTAL ASSETS (RM mil)



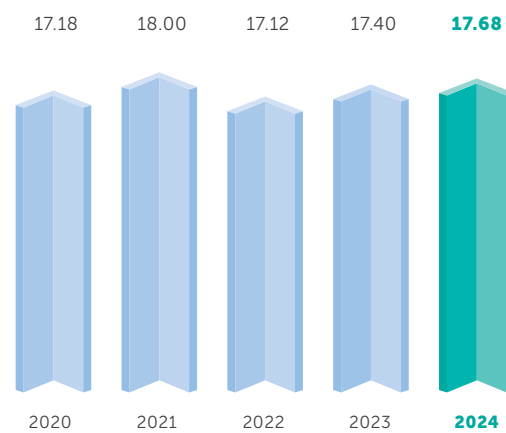
TOTAL EQUITY (RM mil)



MARKET CAPITALISATION (RM bil)



CLOSING SHARE PRICE (RM)



Year	2020	2021	2022	2023	2024
Key results (RM mil)					
Revenue	5,592.1	5,648.6	6,160.2	6,445.4	6,538.2
By segment:					
Gas Processing	1,710.7	1,719.8	1,746.8	1,778.2	1,872.5
Gas Transportation	1,172.9	1,169.9	1,168.4	1,144.1	1,199.6
Regasification	1,400.0	1,413.5	1,412.1	1,352.3	1,355.2
Utilities	1,308.5	1,345.4	1,832.9	2,170.8	2,110.9
By geography:					
Peninsular Malaysia	5,581.1	5,641.0	6,152.6	6,443.3	6,538.2
Sabah and Sarawak	11.0	7.6	7.6	2.1	-
Interest income	120.9	84.3	120.2	149.2	123.4
Cost of revenue	2,935.7	2,928.8	3,812.5	4,158.4	4,260.9
By segment:					
Gas Processing	766.1	783.3	854.4	981.7	1,071.5
Gas Transportation	378.0	471.3	605.1	581.9	606.9
Regasification	686.9	602.5	661.2	714.7	755.4
Utilities	1,104.7	1,071.7	1,691.8	1,880.1	1,827.1
Financing costs	219.8	175.0	178.4	126.8	89.9
Administration expenses	125.4	132.0	113.5	131.1	145.9
Operating profit	2,670.2	2,659.5	2,320.1	2,273.7	2,303.0
Earnings before interests, taxes, depreciation and amortisation	3,566.2	3,558.3	3,244.5	3,267.2	3,354.7
Profit before taxation	2,610.2	2,641.7	2,269.4	2,386.0	2,360.3
Profit after taxation	2,082.3	2,111.4	1,758.5	1,901.0	1,923.6
Profit attributable to shareholders of the company	2,009.6	1,988.9	1,645.4	1,819.6	1,836.3
Key statement of financial position (RM mil)					
Property, plant and equipment	13,216.2	13,272.4	13,408.4	13,630.5	13,915.9
Cash and cash equivalents	3,138.9	3,782.5	4,026.2	3,027.9	2,595.7
Total assets	18,344.6	19,186.1	19,688.4	19,319.3	18,754.7
Borrowings	3,279.4	3,447.1	3,835.7	3,152.5	1,847.4
Total liabilities	5,376.1	5,846.6	6,278.6	5,504.1	4,515.9
Share capital	3,165.2	3,165.2	3,165.2	3,165.2	3,165.2
Reserves	9,469.6	9,933.4	9,982.9	10,389.9	10,783.2
Total equity attributable to shareholders of the company	12,634.8	13,098.6	13,148.1	13,555.1	13,948.4
Non-controlling interests	333.8	240.9	261.7	260.1	290.3
Total equity	12,968.6	13,339.5	13,409.8	13,815.2	14,238.8
Share information					
Earnings per share (sen)	101.6	100.5	83.2	92.0	92.8
Dividend per share (sen)	127.0	82.0	72.0	72.0	72.0
Net assets per share (RM)	6.39	6.62	6.64	6.85	7.05
Closing share price (RM)	17.18	18.00	17.12	17.40	17.68
Number of ordinary shares ('000)	1,978,732	1,978,732	1,978,732	1,978,732	1,978,732
Market capitalisation (RM bil)	34.0	35.6	33.9	34.4	35.0

FINANCIAL REVIEW Group Quarterly Performance

2024					
In RM mil	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2024
Operating revenue	1,618.8	1,648.1	1,655.9	1,615.4	6,538.2
Operating profit	593.4	592.8	636.1	480.7	2,303.0
Profit before taxation	597.3	614.7	674.7	473.6	2,360.3
Profit after taxation	472.3	490.9	541.2	419.2	1,923.6
Profit attributable to shareholders of the company	456.6	469.0	493.7	417.0	1,836.3
Earnings per share (sen)	23.0	23.7	25.0	21.1	92.8
Dividend per share (sen)	16.0	16.0	18.0	22.0	72.0

2023					
In RM mil	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2023
Operating revenue	1,674.9	1,637.4	1,550.3	1,582.8	6,445.4
Operating profit	555.4	616.0	575.7	526.6	2,273.7
Profit before taxation	556.9	626.1	594.5	608.5	2,386.0
Profit after taxation	448.3	496.0	491.1	465.6	1,901.0
Profit attributable to shareholders of the company	424.2	485.4	468.4	441.6	1,819.6
Earnings per share (sen)	21.5	24.5	23.7	22.3	92.0
Dividend per share (sen)	16.0	16.0	18.0	22.0	72.0

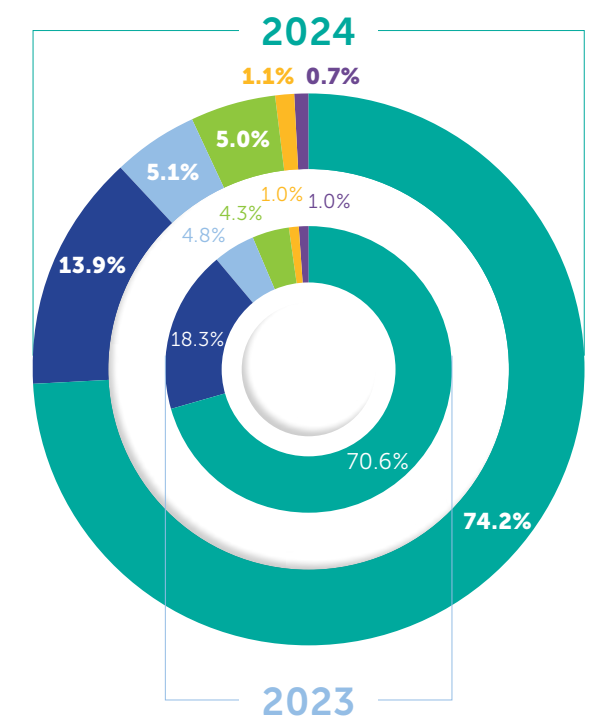
FINANCIAL REVIEW Simplified Group Statement of Financial Position

TOTAL ASSETS

2024 **RM18.8 BILLION**
2023 **RM19.3 BILLION**

	2023	2024
Property, Plant and Equipment	70.6%	74.2%
Cash and Cash Equivalents*	18.3%	13.9%
Trade and Other Receivables	4.8%	5.1%
Investment in Joint Ventures	4.3%	5.0%
Investment in Associate	1.0%	1.1%
Deferred Tax Assets	0.4%	0.2%
Long-term Receivables	0.4%	0.0%
Trade and Other Inventories	0.2%	0.2%
Tax Recoverable	0.0%	0.3%

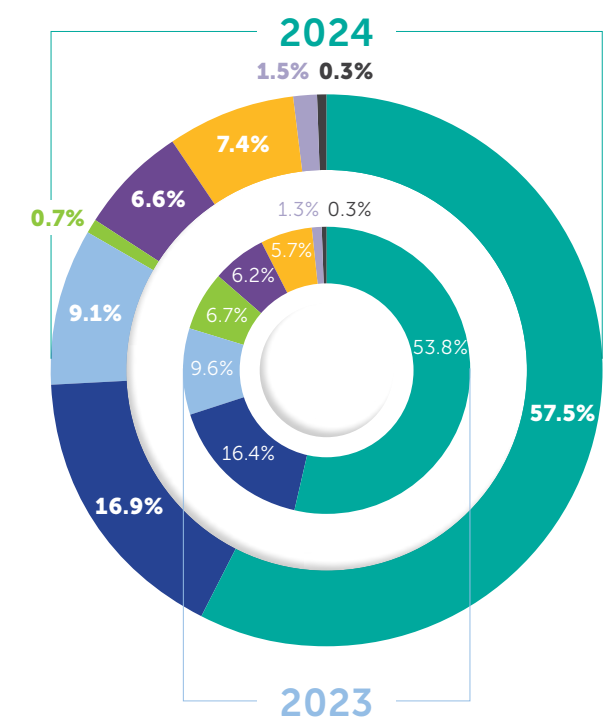
* Certain comparative figures have been reclassified to conform with current year's presentation.



TOTAL EQUITY & LIABILITIES

2024 **RM18.8 BILLION**
2023 **RM19.3 BILLION**

	2023	2024
Reserves	53.8%	57.5%
Share Capital	16.4%	16.9%
Non-current Borrowings	9.6%	9.1%
Current Borrowings	6.7%	0.7%
Deferred Tax Liabilities	6.2%	6.6%
Trade and Other Payables	5.7%	7.4%
Non-controlling Interests	1.3%	1.5%
Deferred Income	0.1%	0.1%
Taxation	0.0%	0.0%
Provisions	0.2%	0.2%



FINANCIAL REVIEW

Key Interest-Bearing Assets and Liabilities

	2023			2024		
	As at 31 Dec	Effective Interest Rate	Interest Income/ (Expenses)	As at 31 Dec	Effective Interest Rate	Interest Income/ (Expenses)
	RM Mil	%	RM Mil	RM Mil	%	RM Mil
Interest earning assets						
Cash and cash equivalents [#]	3,527.9	2.7-3.7	139.6	2,595.7	3.6 - 4.2	117.4
Term loans due from a joint venture	128.2	5.5	9.6	67.5	5.5	6.0
Interest bearing liabilities						
Islamic financing facilities [*]	2,564.4	2.2-4.2	(90.2)	1,285.0	2.0 - 4.3	(56.0)
Finance lease liabilities [*]	588.1	8.1-8.4	(81.9)	562.4	4.3 - 8.4	(47.6)

* Part of interest expenses are being capitalised as part of projects-in-progress.

[#] Certain comparative figures have been reclassified to conform with current year's presentation.

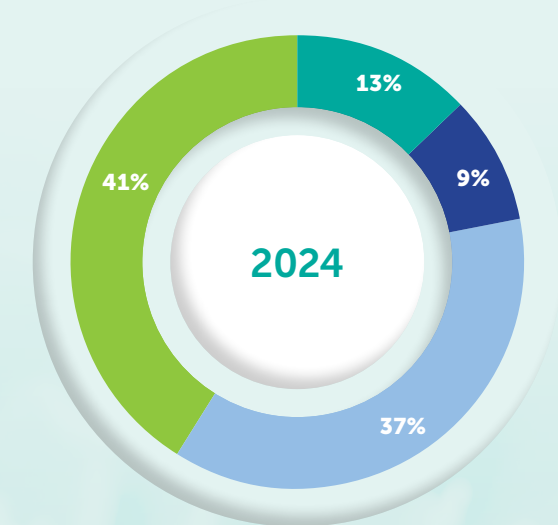
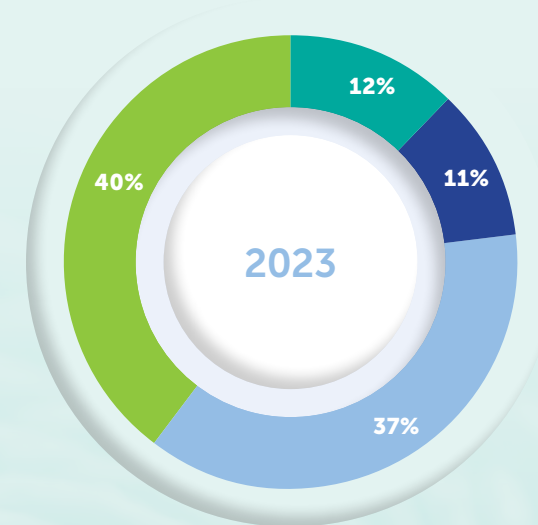
Statement of Value Added

	2023 RM Mil	2024 RM Mil
Revenue	6,445.4	6,538.2
Purchase of goods and services	(2,644.8)	(2,665.2)
Value added by the Group	3,800.6	3,873.0
Other income and expenses	117.8	171.6
Financing costs	(126.8)	(89.9)
Share of profit after tax of equity-accounted joint ventures and associate	239.1	147.3
Value added available for distribution	4,030.7	4,102.0

FINANCIAL REVIEW

Distributed of Value Added

	2023 RM Mil	2024 RM Mil
To employees		
Employment costs	493.4	552.7
To government		
Taxation	441.3	352.8
To shareholders		
Dividends	1,424.7	1,424.7
Non-controlling interest	81.4	87.3
Retained for reinvestment and future growth		
Depreciation and amortisation	1,151.3	1,188.9
Deferred tax expense	43.7	83.9
Retained profit	394.9	411.7
	4,030.7	4,102.0



FINANCIAL REVIEW Investor Relations

Our investor relations programme is designed to foster open and transparent communication with stakeholders, ensuring they remain well-informed about our financial performance and strategic direction. Throughout the year, we conducted a series of comprehensive engagement activities led by our Managing Director/Chief Executive Officer, Chief Financial Officer, Head of Investor Relations, and other senior management, providing valuable insights into our business operations, growth strategies, and market outlook.

These interactions are vital in ensuring that our investors and stakeholders remain informed about our performance, strategies, and goals, while also enabling us to understand and address their expectations. By utilising both virtual and physical platforms, we ensure broad accessibility for a diverse audience.

On 23 April 2024, we hosted our 41st Annual General Meeting (AGM) via livestream from the Kuala Lumpur Convention Centre, followed by a virtual press conference. Now in its fifth year of being conducted virtually, the AGM saw steady growth in participation. This year, 728 shareholders and their representatives joined through the Remote Participation and Electronic Voting (RPEV) platform at the meeting's outset, with a total of 2,568 participants at any point during the virtual session. All proposed resolutions were approved during the AGM, and the meeting minutes, along with responses to shareholder inquiries, were published on our website.

A total of
728 shareholders
and their representatives joined through the Remote Participation and Electronic Voting platform.

We are committed to transparent and timely financial reporting disclosure as per Main Market Listing Requirement. Our financial reports are carefully prepared in accordance regulatory standards, reviewed by auditors, and approved by Board of Directors before public disclosure. To keep

shareholders informed, we announce our financial performance through Bursa Malaysia, press releases and investor relations channels. We also hold analysts briefings where our senior management discusses key financial and operational highlights, and provide insights into our future outlook. Additionally, all financial reports, and investor presentations are made available on our website for easy access. This structured approach ensures transparent and comprehensive updates on our business performance.

In 2024, we held 12 engagement meetings, two analyst site visits, and one shareholder visit. Notably, on 2nd September, PGB Investor Relations organised a shareholder visit to the Regasification Terminal Sungai Udang, where 32 shareholders participated in a six-hour tour, including a visit to the Regasification Terminal platform at sea. The event received positive feedback, with suggestions to extend the programme to other assets.

We also collaborated with CLSA, AmInvestment, and PETRONAS Chemicals Group Bhd on site visits, discussing PGB's growth, its role in the National Energy Transition Roadmap, and ESG goals.

We regularly communicate our efforts and progress through various engagement platforms to ensure stakeholders are well-informed about our business and sustainability initiatives. We remain committed to providing stakeholders with full accessibility to our performance and results, with all company information available at www.petronas.com/pgb. For specific investor-related queries and feedback, we can be reached at ir.petronasgas@petronas.com.



FINANCIAL REVIEW Investor Relations

INVESTOR RELATIONS ACTIVITIES

QUARTERLY RESULTS ANNOUNCEMENTS:

	Announcement Date	Briefing Date	Type of Meeting
Quarter 1	29 May 2024	29 May 2024	Webcast
Quarter 2	21 August 2024	21 August 2024	
Quarter 3	27 November 2024	27 November 2024	
Quarter 4	21 February 2024	21 February 2024	

INVESTOR/ANALYST SITE VISIT:

24 June 2024
Pengerang, Johor

Institutional investors visit to Regasification Terminal Pengerang & Pengerang Gas Solution Shd. Bhd.

1 October 2024
Kertih, Terengganu

Institutional investors visit to Gas Processing Kertih

SHAREHOLDER SITE VISIT:



2 September 2024
Sungai Udang, Melaka

Shareholder visit programme to Regasification Terminal Sungai Udang

41st
ANNUAL GENERAL MEETING

Tuesday, 23 April 2024

Live Streaming from Kuala Lumpur Convention Centre, Kuala Lumpur



Shareholders and Representatives:

728 joined through the RPEV platform at the meeting's outset

2,568 participants at any point during the virtual session

23 ENGAGEMENTS

(2023: 24)

CHANNELS:

Annual General Meeting

Quarterly Analyst Briefings

Conferences and Roadshows

Corporate Meetings

Site Visits

FINANCIAL REVIEW Investor Relations

FINANCIAL REVIEW Financial Calendar

2024 SIGNIFICANT ANNOUNCEMENTS

<p>27 February</p> <p>PGB renaming of the Board Risk Committee.</p> <p>Quarterly report on consolidated results for the financial period ended 31 December 2023.</p> <p>BURSA Announcement</p>	<p>15 March</p> <p>Final Investment Decision for the Development of Jeram Compressor Station.</p> <p>BURSA Announcement</p>
<p>3 May</p> <p>Publication of PGB's Regulatory Period 2 Adjusted Tariffs for Peninsular Gas Utilisation, Regasification Terminal Sg Udang, Melaka and Regasification Terminal Pengerang, Johor from 1 January 2024 to 31 December 2024 under the Third-Party Access system.</p> <p>BURSA Announcement</p>	<p>29 May</p> <p>Quarterly report on consolidated results for the financial period ended 31 March 2024.</p> <p>BURSA Announcement</p>
<p>20 August</p> <p>Quarterly report on consolidated results for the financial period ended 30 June 2024.</p> <p>BURSA Announcement</p>	<p>27 November</p> <p>Quarterly report on consolidated results for the financial period ended 30 September 2024.</p> <p>BURSA Announcement</p>

2024

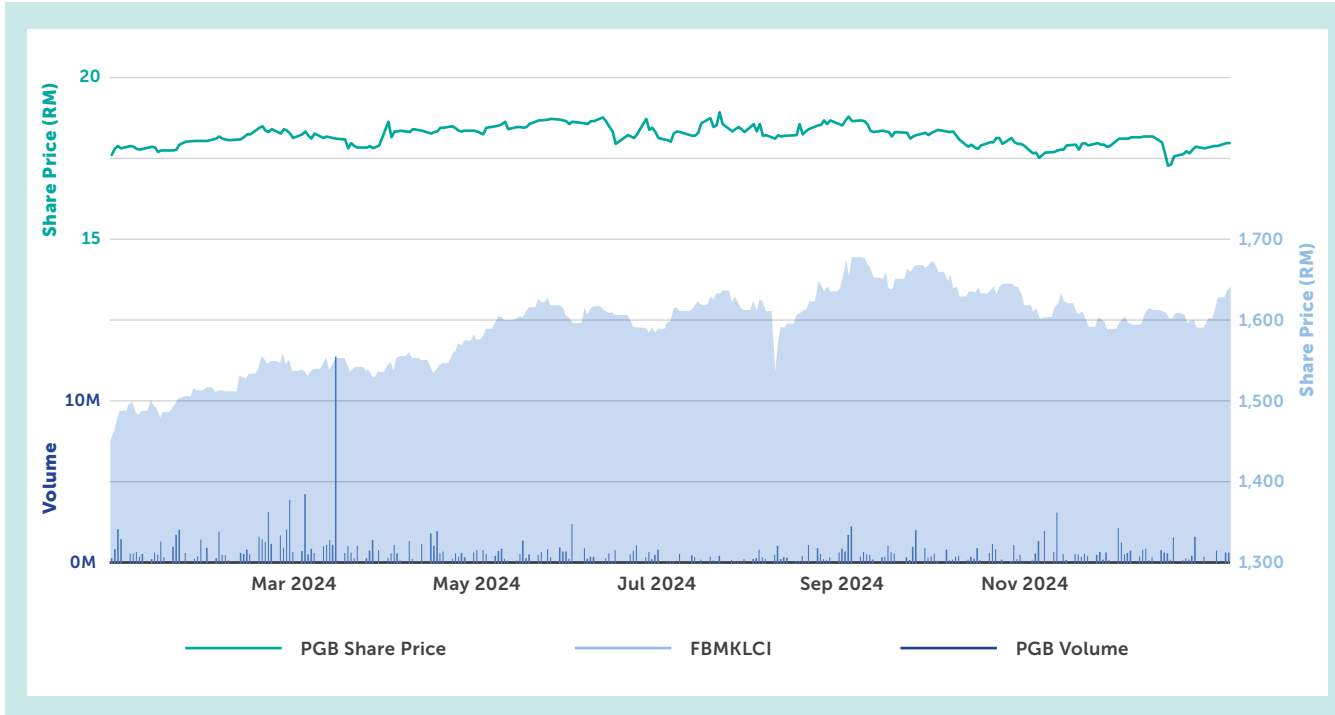
	<p>27 February</p> <p>Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2023</p>	<p>29 February</p> <p>Announcement of the audited financial statements for the financial year ended 31 December 2023</p>
<p>22 March</p> <p>Date of Notice of 41st Annual General Meeting and date of issuance of Integrated Report 2023</p>	<p>25 March</p> <p>Date of payment of the fourth interim dividend for the financial year ended 31 December 2023</p>	<p>23 April</p> <p>41st Annual General Meeting</p>
<p>29 May</p> <p>Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2024</p>	<p>27 June</p> <p>Date of payment of the first interim dividend for the financial year ended 31 December 2024</p>	<p>20 August</p> <p>Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2024</p>
<p>19 September</p> <p>Date of payment of the second interim dividend for the financial year ended 31 December 2024</p>	<p>27 November</p> <p>Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2024</p>	<p>24 December</p> <p>Date of payment of the third interim dividend for the financial year ended 31 December 2024</p>

2025

	<p>21 February</p> <p>Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2024</p>	<p>25 February</p> <p>Announcement of the audited financial statements for the financial year ended 31 December 2024</p>
<p>20 March</p> <p>Date of payment of the fourth interim dividend for the financial year ended 31 December 2024</p>	<p>21 March</p> <p>Date of Notice of 42nd Annual General Meeting and date of issuance of Integrated Report 2024</p>	<p>23 April</p> <p>42nd Annual General Meeting</p>

FINANCIAL REVIEW

Share Price Performance

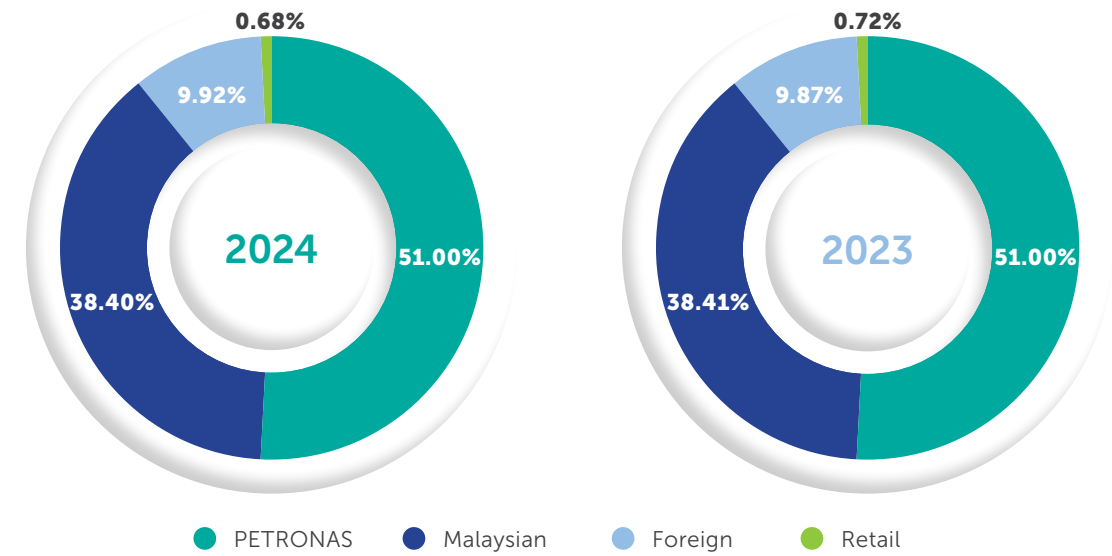


FINANCIAL REVIEW

Share Price Performance

SHAREHOLDING AS AT 31 DECEMBER 2024

BY INSTITUTION



INVESTOR RELATIONS ACTIVITIES

OPENING	CLOSING	PEAK
RM 17.36 <small>2023: RM16.80</small>	RM 17.68 <small>2023: RM17.40</small>	RM 18.52 <small>2023: RM17.74</small>

EARNINGS PER SHARE
92.8 sen
2023: 92.0 sen

DIVIDEND PER SHARE
72 sen
2023: 72 sen

MARKET CAPITALISATION
RM35.0 billion
2023: RM34.4 billion

AVERAGE DAILY TRADED VOLUME
796,072
2023: 699,378

DIVIDEND

1 st Interim	27 Jun 2024	2 nd Interim	19 Sep 2024	3 rd Interim	24 Dec 2024	4 th Interim	20 Mar 2025
16 sen		16 sen		18 sen		22 sen	

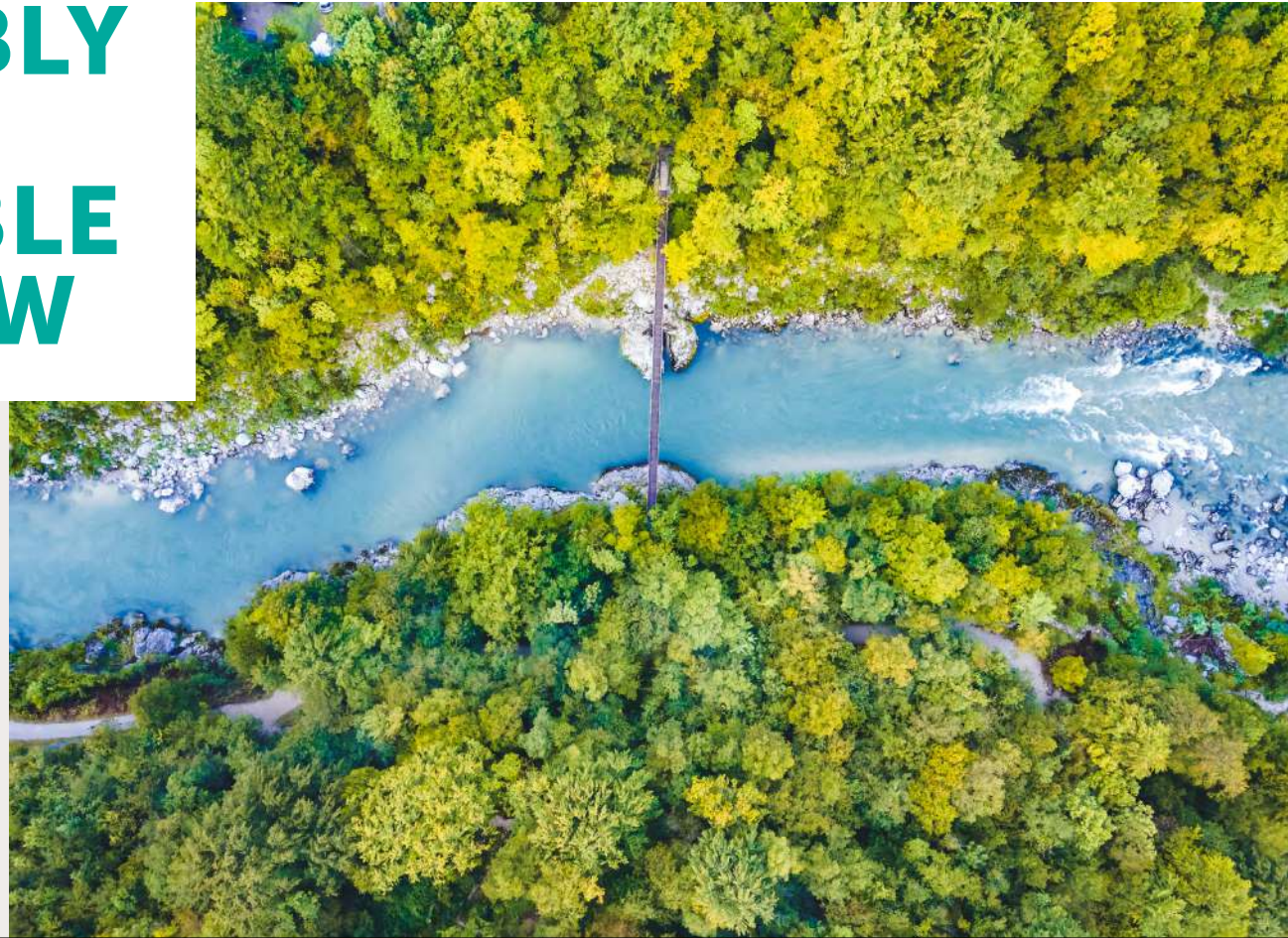
ANALYST COVERAGE

1	AFFIN HWANG INVESTMENT BANK	13	MIDF AMANAH INVESTMNET BANK
2	AMIVESTMENT BANK	14	RHB INVESTMENT
3	APEX SECURITIES	15	SADIF INVESTMENT ANALYTICS
4	BIMB SECURITIES	16	TA SECURITIES
5	CGS INTERNATIONAL	ANALYST RECOMMENDATION AS OF 28 FEBRUARY 2025	
6	CLSA SECURITIES		
7	CIMB SECURITIES		
8	HONG LEONG INVESTMENT BANK		
9	J.P MORGAN SECURITIES		
10	KENANGA INVESTMENT BANK		
11	MACQUARIE CAPITAL SECURITIES		
12	MAYBANK INVESTMENT BANK		

SUSTAINABILITY REVIEW Approach to Sustainability

RESPONSIBLY SHAPING A SUSTAINABLE TOMORROW

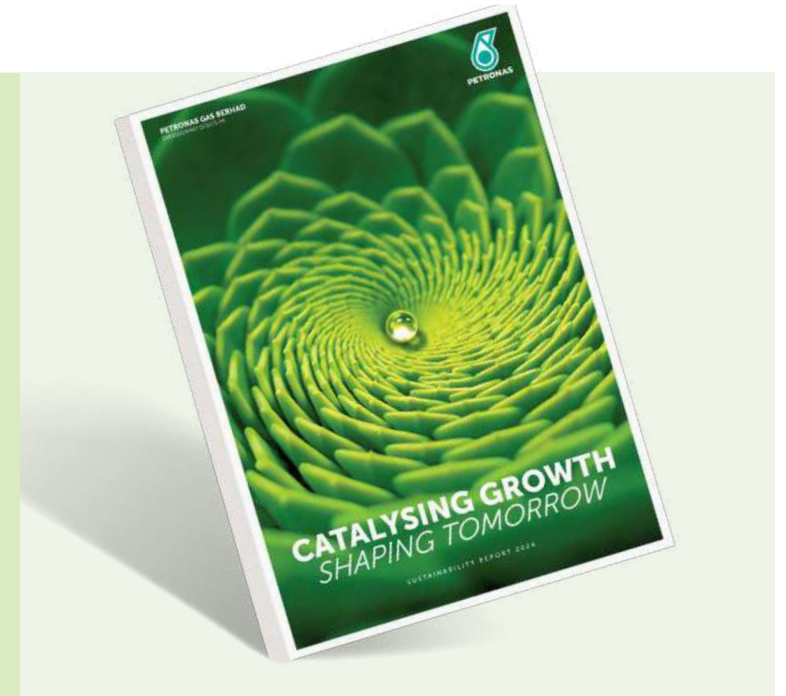
As Malaysia's leading gas infrastructure and centralised utilities company, we are dedicated in striking a careful balance between upholding operational excellence, driving long-term value creation, and managing our business sustainably.



UN SDGs Involved:



SUSTAINABILITY REVIEW Approach to Sustainability



SCOPE AND BOUNDARY OF REPORTING

Our Sustainability Report covers the period from 1 January 2024 to 31 December 2024 (financial year 2024). The disclosures provided cover our principal business activities, encompassing our business segments, subsidiaries and joint venture operations, and is tailored to meet the information needs of our investors.

REPORTING FRAMEWORK

Our Sustainability Report 2024 is prepared in alignment with both national and international sustainability reporting standards, ensuring transparency, comprehensiveness, and relevance for our stakeholders.

- Global Reporting Initiative Universal Standards 2021
- Sustainability Accounting Standards Board
- Bursa Malaysia Securities Berhad
- Sustainability Reporting Guide (3rd Edition)
- FTSE4Good Bursa Malaysia Index's ESG Indicators
- International Petroleum Industry Environmental Conservation Association (IPIECA) Sustainability Reporting
- Guidance for the Oil and Gas Industry (4th Edition, 2020)
- United Nations Sustainable Development Goals (UN SDGs)
- Task Force on Climate-related Financial Disclosures Recommendations
- International Sustainability Standards Board's International Financial Reporting Standards - Standard 1 and Standard 2

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

Sustainability remains a core drive of PGB's long-term strategy, ensuring that we operate responsibly while creating enduring value for our stakeholders. As an energy infrastructure leader, we recognise that institutionalising sustainability into our business is essential for maintaining resilience, meeting evolving regulatory and stakeholder expectations, and positioning ourselves as a responsible industry leader. In line with this, we have continuously enhanced our sustainability performance and adopted targeted strategies to drive steady progress in environmental, social, and governance (ESG) practices.

Our commitment is anchored by the **PGB Sustainability Blueprint**, which incorporates ambitions and performance targets across four key lenses to provide a structured approach to driving impactful change:



SUSTAINABLE VALUE CREATION

Drive long-term business value creation through responsible investments.



SAFEGUARD THE ENVIRONMENT

Collaboratively reduce environmental impact by transitioning to lower-carbon energy solutions and deploying innovative operations and technologies.



POSITIVE SOCIAL IMPACT

Create positive alliances with the communities in which we operate by protecting and adding value to the well-being of employees, partners and society.



RESPONSIBLE GOVERNANCE

Safeguard the organisation's commitment through strong governance mechanisms and ethical business practices.

Our strong sustainability leadership and dedicated efforts have led to significant improvements in our ESG ratings across key indices alongside industry recognition for our sustainability practices and reporting. These achievements reflect our agility in responding to regulatory developments and commitment to raising the bar in corporate sustainability.

Looking ahead, we remain focused on achieving our Net Zero Carbon Emissions aspirations, intensifying our environmental stewardship efforts, and delivering tangible benefits to people and communities across our operations. At the same time, we are actively diversifying into lower-carbon ventures, ensuring that PGB continues to drive sustainable value creation while contributing to the global energy transition.



Scan Me:

For more information on our sustainability approach, governance and strategies, please download our full Sustainability Report 2024 from our corporate website.

SUSTAINABILITY REVIEW

Sustainability Scorecard

We have made firm progress across our sustainability agenda in 2024, underscoring our continued pursuit of excellence in delivering holistic, sustainable value for our business, stakeholders, society and the environment.

SUSTAINABLE VALUE CREATION

Revenue RM6.5 billion	Dividends Declared 72.0 sen per share	Product Delivery Reliability (PGU) 100%
Profit After Tax RM1.9 billion	Total Assets RM18.8 billion	Average Salesgas Delivered 2,455 mmscfd
EBITDA RM3.4 billion	Market Capitalisation RM35.0 billion	Land Area 5,145 hectares

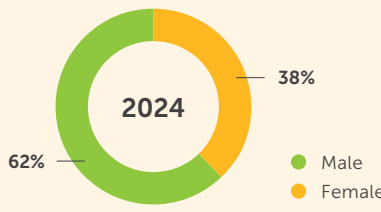
SR Please refer to the Sustainable Value Creation section on pages 28-33 of our Sustainability Report 2024.

SAFEGUARD THE ENVIRONMENT

GHG Emissions Scope 1 6,074,946 tonnes CO₂e	Scope 2 51,319 tonnes CO₂e	Scope 3 - Categories 6 and 7 5,055 tonnes CO₂e	Recover, Recycle, Reuse and Reduce (4R) Waste 1,799 metric tonnes
Wastewater Discharge 1,012,932 m³	Freshwater Withdrawal Reduction 66,500 m³	Fines and Penalties 0	

SR Please refer to the Safeguarding The Environment section on pages 34-89 of our Sustainability Report 2024.

POSITIVE SOCIAL IMPACT

Local Employment 100%	Fatalities 0	Board Members 
Loss Time Injury Frequency 0.27	Major Fires 0	
Total Training Hours 198,881	Permanent Employee 98.1%	

SR Please refer to the Positive Social Impact section on pages 90-143 of our Sustainability Report 2024.

RESPONSIBLE GOVERNANCE

Task Force on Climate-Related Financial Disclosure (TCFD) Compliance Addressed all TCFD recommendations a year ahead of Bursa Malaysia's timeline, preparing for International Sustainability Standards Board adoption.	FTSE4Good Rating Environmental, Social and Governance (ESG) disclosures contributed to an increase in FTSE4Good rating from 4.1 in 2023 to 4.7 in 2024.	The Edge Malaysia ESG Awards 2024 Proudly received the Gold Award in the Utilities Sector category in 2024. This milestone reflects our commitment to adapting swiftly to emerging ESG requirements and meeting stakeholders' disclosure expectations.	Reporting Awards Achieved the Gold Award in the Integrated Annual Report and ESG Category at the Annual Reporting Awards 2024 and the Silver Award at the Australasian Reporting Awards 2024.	Bloomberg ESG Score Improved ESG score from 4.37 in 2023 to 5.31 in 2024, surpassing the industry median.
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SR Please refer to the Responsible Governance section on pages 144-151 our Sustainability Report 2024.

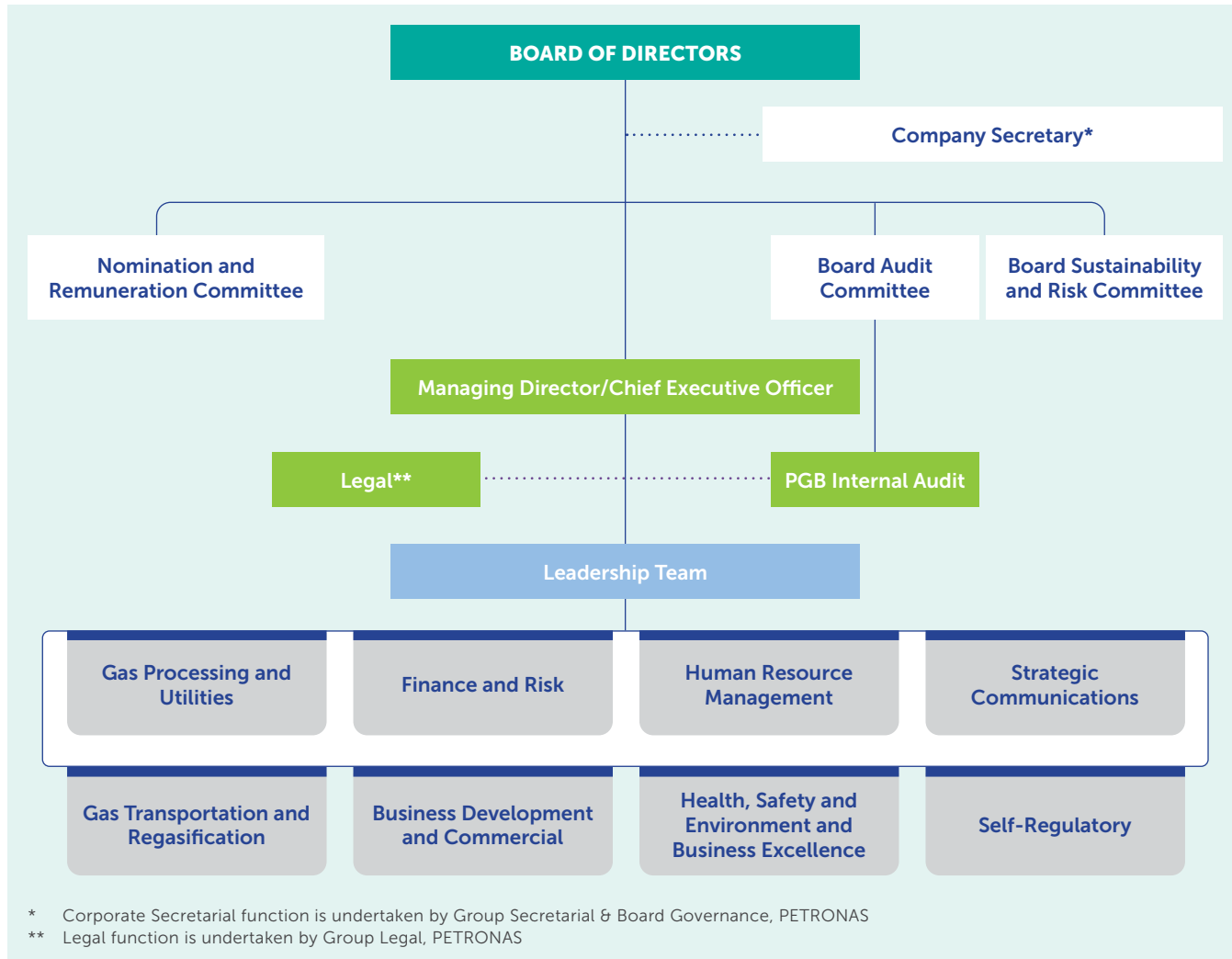
"UPHOLDING THE HIGHEST STANDARDS OF GOVERNANCE, ETHICS, AND INTEGRITY"

The Board and Management remain steadfast in navigating an evolving business landscape with a commitment to excellence in governance, ethics, and integrity. This dedication is anchored in our Statement of Purpose and vision of being a Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future. By considering market dynamics in our strategic approach, we continue to create sustainable value for all stakeholders.

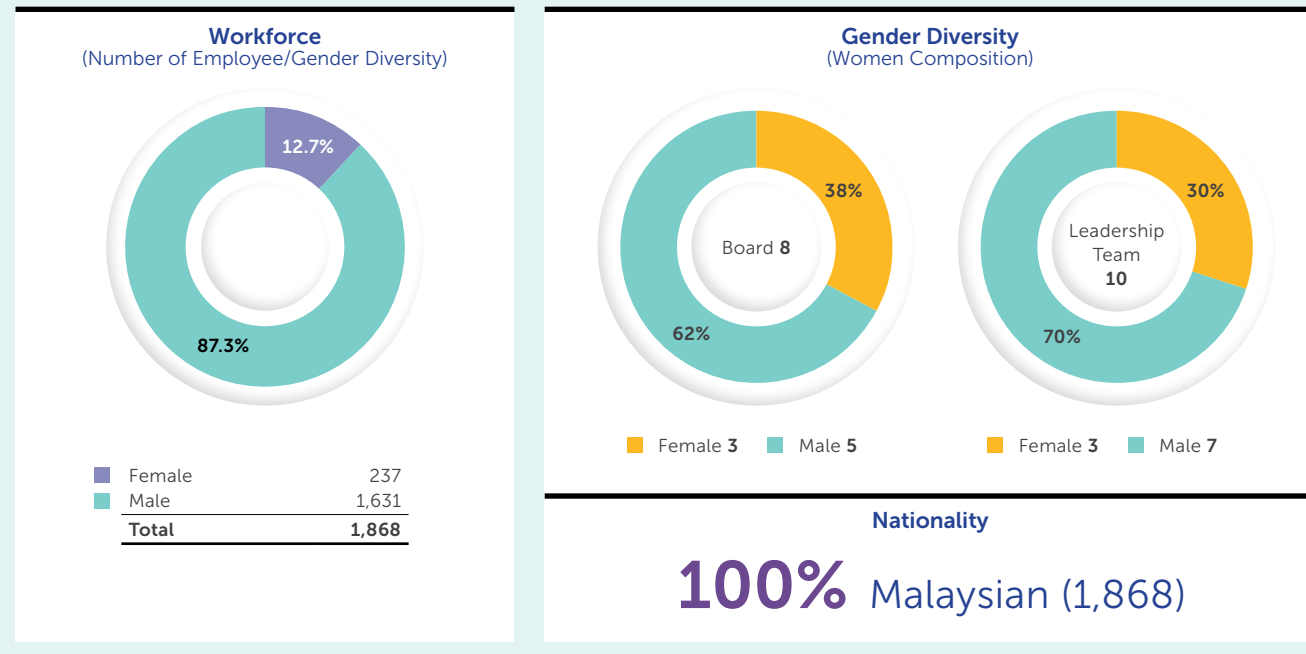
Our foundation is built upon core values—Loyalty, Integrity, Professionalism, and Cohesiveness—that define our corporate culture and guide responsible decision-making. Beyond financial and operational performance, our approach encompasses long-term resilience, stakeholder trust, and ethical leadership.

Amidst a complex risk environment, we remain proactive in ensuring business sustainability. This includes continuous environmental monitoring, strategic capital allocation, and stakeholder engagement to address emerging challenges and opportunities. By embedding governance best practices into our operations, we strengthen our ability to drive enduring value and sustainable growth.

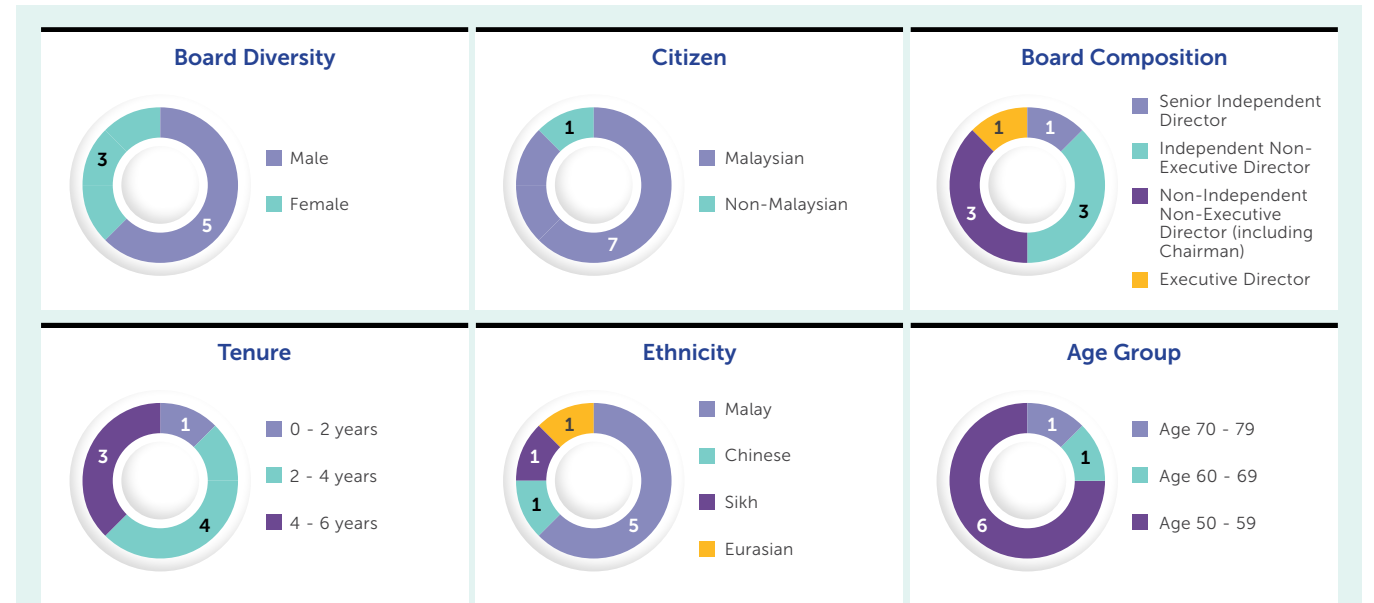
ORGANISATION STRUCTURE



* Corporate Secretarial function is undertaken by Group Secretarial & Board Governance, PETRONAS
 ** Legal function is undertaken by Group Legal, PETRONAS



BOARD AT A GLANCE

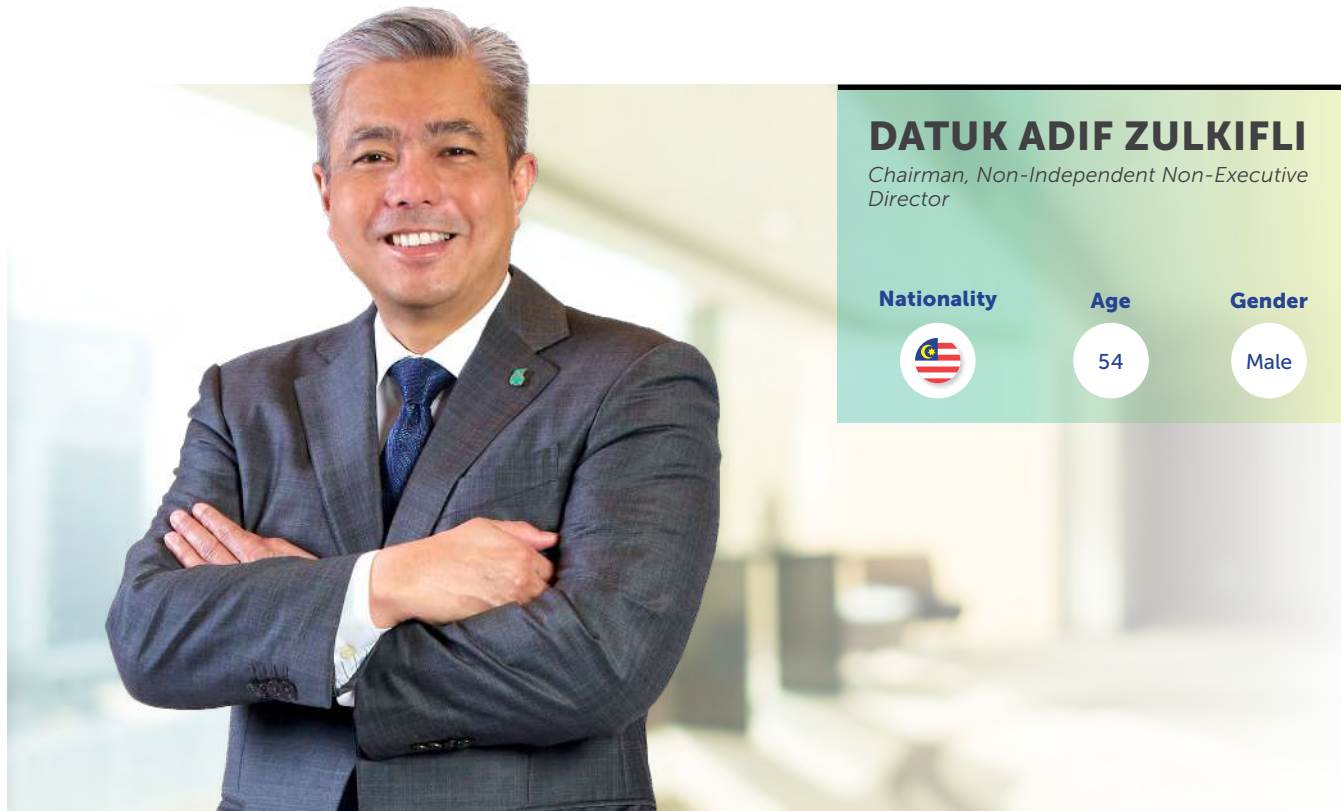


Directors' Expertise and Industry Proficiency Assessment
(As at 28 February 2025)

Skills Matrix:	Datuk Adif Zulkifli	Abdul Aziz Othman	Farina Farikhullah Khan	Marina Md Taib	Datuk Yeow Kian Chai	Datuk Mark Victor Rozario	Sujit Singh Parhar s/o Sukhdev Singh	Hasliza Othman
FA Finance/Audit			•	•		•		
LR Legal/Regulatory			•					
EC Economics	•	•	•	•	•	•	•	•
ET Engineering/Technical	•	•			•		•	•
CM Commercial/Marketing	•	•			•	•	•	
OP Operations		•		•	•	•	•	•
CP Corporate Planning and Development	•	•	•	•	•	•	•	•
HR Human Resource	•		•					
ICT ICT						•		
EN Entrepreneurial						•	•	
INV Investment	•			•			•	
SUS Sustainability	•	•	•		•	•	•	
Industry Experience:								
O Oil and Gas	•	•	•	•	•	•	•	•
B Banking and Finance			•	•		•		
R Regional/International	•	•	•	•	•	•	•	•
P Power		•				•	•	
S Shipping and Logistic	•							

PROFILE OF THE BOARD OF DIRECTORS

PROFILE OF THE BOARD OF DIRECTORS



DATUK ADIF ZULKIFLI

Chairman, Non-Independent Non-Executive Director

Nationality	Age	Gender
	54	Male

Date of Appointment
20 August 2024

Length of Service
6 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience

EC	ET	CM	CP
HR	INV	SUS	
O	R	S	

Academic/Professional Qualifications

- Bachelor of Science in Petroleum Engineering from the Colorado School of Mines
- Master of Business Administration from Kellogg School of Management, Northwestern University, Illinois, United States of America

Present Directorships

- Listed issuer:**
- PETRONAS Gas Berhad

Other public company:

- MISC Berhad

Present Appointments

- Executive Vice President & Chief Executive Officer of Gas & Maritime Business, PETRONAS
- Member of PETRONAS Executive Leadership Team
- Board Member of various companies in PETRONAS

Past Experiences

- Executive Vice President & Chief Executive Officer of Upstream Business, PETRONAS
- Executive Vice President & Chief Executive Officer of Gas and New Energy Business, PETRONAS
- Senior Vice President of Development and Production Upstream Business, PETRONAS
- Senior Vice President of Corporate Strategy, PETRONAS
- Chairman of the Society of Petroleum Engineers (SPE) Asia Pacific Regional Advisory Council
- Member of the International Advisory Committee for Offshore Technology Conference Asia (OTCA)
- Vice Chair of the E&P Working Committee for the International Gas Union



ABDUL AZIZ OTHMAN

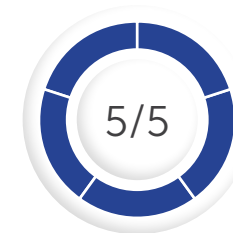
Managing Director/Chief Executive Officer

Nationality	Age	Gender
	59	Male

Date of Appointment
1 January 2021

Length of Service
4 years 2 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience

EC	ET	CM	OP
CP	SUS		
O	R	P	

Academic/Professional Qualifications

- Senior Executive Programme, London Business School
- INSEAD Programme, INSEAD Business School
- Bachelor of Science in Mechanical Engineering, George Washington University, United States of America

Present Directorships

- Listed issuer:**
- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Senior Vice President, Gas & Power, Gas & Maritime Business
- Board Member of various companies in PETRONAS
- President, Malaysian Gas Association
- Regional Coordinator South & Southeast Asia, International Gas Union
- Member Executive Committee & Member Audit Committee, International Gas Union
- Malaysia Advisor Board, ASEAN Innovation Business Platform

Past Experiences

- Chief Marketing Officer, PETRONAS LNG Limited
- Vice President, Strategy and New Ventures, PETRONAS Energy Canada Limited
- Head, Strategic Planning and Ventures, PETRONAS Chemicals Group Berhad
- Chief Executive Officer, Vinyl Chloride Malaysia Sdn. Bhd.
- General Manager, Centralised Utilities Facilities (CUF), PETRONAS Gas Berhad
- Head (Strategy & Business Planning), PETRONAS
- Manager (Corporate Issues), Business Planning & Development, PETRONAS

PROFILE OF THE BOARD OF DIRECTORS

PROFILE OF THE BOARD OF DIRECTORS



FARINA FARIKHULLAH KHAN

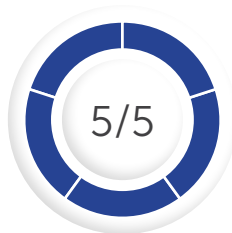
Senior Independent Non-Executive Director

Nationality	Age	Gender
	53	Female

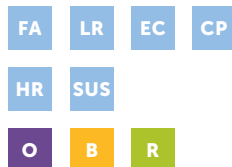
Date of Appointment
1 September 2018

Length of Service
6 years 6 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience



Academic/Professional Qualifications

- Advanced Management Programme, Harvard Business School, United States of America
- Fellow member of the Institute of Chartered Accountants, Australia & New Zealand
- Bachelor of Commerce (Accounting), University of New South Wales, Australia

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad
- KLCC Property Holdings Berhad
- AMMB Holdings Berhad
- Lianson Fleet Group Berhad (formerly known as Icon Offshore Berhad)

Other public company:

- AmBank Islamic Berhad

Foreign listed company:

- EnQuest PLC

Present Appointments

- Chairman, AmBank Islamic Berhad
- Chairman, Board Audit Committee of PETRONAS Gas Berhad
- Member, Nomination and Remuneration Committee of PETRONAS Gas Berhad
- Member, Board Sustainability and Risk Committee of PETRONAS Gas Berhad
- Chairman, Board Audit Committee of KLCC Property Holdings Berhad

- Member, Board Nomination and Remuneration Committee of KLCC Property Holdings Berhad and KLCC REIT Management Sdn. Bhd.
- Member, Risk Committee of KLCC Property Holdings Berhad
- Member, Group Nomination and Remuneration Committee of AMMB Holdings Berhad
- Member, Audit and Examination Committee of AMMB Holdings Berhad
- Chairman, Audit and Risk Management Committee of Lianson Fleet Group Berhad (formerly known as Icon Offshore Berhad)
- Board Member of KLCC REIT Management Sdn. Bhd.
- Senior Independent Director of EnQuest PLC
- Member, Remuneration and Social Responsibility Committee of EnQuest PLC
- Chairman, Audit Committee of EnQuest PLC

Past Experiences

- Board Member, Progress Energy Canada Ltd
- Chief Financial Officer, PETRONAS Chemicals Group Berhad
- Chief Financial Officer, PETRONAS Exploration & Production Business
- Chief Financial Officer, PETRONAS Carigali Group of Companies
- Senior Manager, Corporate Planning & Development Division, PETRONAS
- Senior Associate, Business Services, Coopers & Lybrand, Australia



DATUK YEOW KIAN CHAI

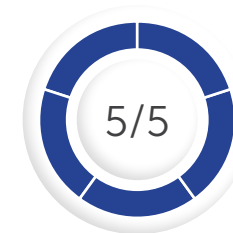
Independent Non-Executive Director

Nationality	Age	Gender
	75	Male

Date of Appointment
30 July 2020

Length of Service
4 years 7 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience



Academic/Professional Qualifications

- Master of Science in Marine Technology, University of Strathclyde, United Kingdom
- Bachelor of Science in Mechanical Engineering, University College London, United Kingdom

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Chairman, Board Sustainability and Risk Committee of PETRONAS Gas Berhad
- Member, Nomination and Remuneration Committee of PETRONAS Gas Berhad

Past Experiences

- Chairman of PETRONAS Abandonment Cess Fund Board of Trustee
- Independent Non-Executive Director of PETRONAS Carigali Sdn. Bhd.
- Independent Non-Executive Director of PETRONAS International Corporation Ltd.
- Advisor, PETRONAS Carigali Sdn. Bhd.
- Vice President, PETRONAS Chemicals Business
- Director, Project Interface Directorate
- Co-Champion PETRONAS OPI Initiative
- Chief Executive Officer, PETRONAS Chemicals Fertiliser Kedah Sdn. Bhd.
- Chief Executive Officer, PETRONAS Carigali (Turkmenistan) Sdn. Bhd.
- Head, Exploration and Production Technology Centre
- 35 years of extensive experience in oil and gas industry

PROFILE OF THE BOARD OF DIRECTORS



DATUK MARK VICTOR ROZARIO

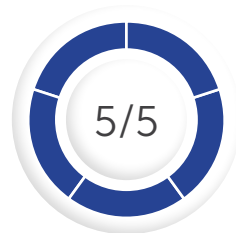
Independent Non-Executive Director

Nationality	Age	Gender
	60	Male

Date of Appointment
1 June 2021

Length of Service
3 years 9 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience

FA	EC	CM	OP
CP	ICT	EN	SUS
O	B	R	P

Academic/Professional Qualifications

- Senior Management Programme/Business, Harvard Business School
- Chartered Accountant, Institute of Chartered Accountants in England and Wales, FCA
- Bachelor of Science, London School of Economics (LSE)

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Chairman of Nomination and Remuneration Committee of PETRONAS Gas Berhad
- Board Member of Pintar Projek Sdn. Bhd.
- Independent Non-Executive Director of Citibank Berhad
- Non-Independent Executive Director of Tropicana Corporation Berhad
- Member, Board Audit Committee of Pintar Projek Sdn. Bhd.

- Director, Bond Pricing Agency Malaysia Sdn. Bhd.
- Member, Board Sustainability and Risk Committee of PETRONAS Gas Berhad
- Member, Board Audit Committee of PETRONAS Gas Berhad

Past Experiences

- Chief Executive Officer, Adventa Berhad
- Chief Executive Officer of General Electric (Malaysia)
- Chief Executive Officer & Member of Governance Council at Agensi Inovasi Malaysia (AIM)/National Innovation Agency of Malaysia
- Group Managing Director of Country Heights Holdings Berhad
- Executive Director at Sunway Holdings Incorporated Berhad (now known as Sunway Berhad)
- Group Chief Financial Officer of Sunway Group
- Controller, East Asia at Schlumberger Limited
- Manager at KPMG Peat Marwick (United Kingdom)

PROFILE OF THE BOARD OF DIRECTORS



SUJIT SINGH PARHAR S/O SUKHDEV SINGH

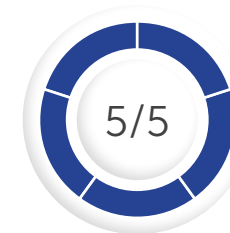
Independent Non-Executive Director

Nationality	Age	Gender
	54	Male

Date of Appointment
15 July 2021

Length of Service
3 years 7 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience

EC	ET	CM	OP
CP	EN	INV	SUS
R	P		

Academic/Professional Qualifications

- Postgraduate Certificate in Business Administration, University of Leicester, United Kingdom
- Bachelor of Engineering (Civil & Structural Engineering), Nanyang Technological University (N.T.U.), Singapore

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Member, Board Sustainability and Risk Committee of PETRONAS Gas Berhad
- Member, Board Audit Committee PETRONAS Gas Berhad

Past Experiences

- Director/Senior Advisor, Mubadala Investment Company, Abu Dhabi, United Arab Emirates
- Executive Director, Global Capital & Development Sdn. Bhd.
- Chief Executive Officer, Global Capital & Development Pte Ltd, Singapore
- Advisor, Global Capital & Development Pte Ltd, Singapore
- Advisor, National Central Cooling Company (Tabreed) Abu Dhabi, United Arab Emirates
- Chief Executive Officer, National Central Cooling Company (Tabreed) Abu Dhabi, United Arab Emirates
- Senior Vice President, Mubadala Investment Company, Abu Dhabi, United Arab Emirates
- Senior Vice President, SembCorp Industries Singapore/MENA
- Manager, Keppel FELS ENERGY Pte Ltd, Singapore
- Civil Engineer, S.K Pui Chartered Consulting Engineers, Singapore

PROFILE OF THE BOARD OF DIRECTORS



MARINA MD TAIB

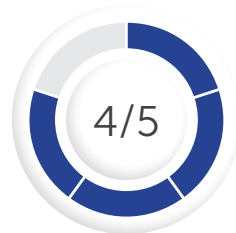
Non-Independent Non-Executive Director

Nationality	Age	Gender
	52	Female

Date of Appointment
1 September 2019

Length of Service
5 years 6 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience



Academic/Professional Qualifications

- Advanced Management Programme, Harvard Business School
- Master of Petroleum Business Management, University of Adelaide, Australia
- Fellow, Institute of Chartered Accountants in England and Wales (ICAEW)
- Bachelor of Social Studies Accountancy, University of Exeter, United Kingdom

Present Directorships

- Listed issuer:
- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Senior Vice President, Corporate Strategy, PETRONAS
- Board Member of various companies in PETRONAS

Past Experiences

- Vice President, Treasury, PETRONAS
- Member, Board Audit Committee, PETRONAS Gas Berhad
- Head, Corporate Strategic Planning, PETRONAS
- Head, Brunei Operations, PETRONAS Carigali Sdn. Bhd.
- Head, Strategic Planning, Petroleum Management Unit, PETRONAS
- Senior Manager, Corporate Planning and Development Division, PETRONAS

Additional Information of The Board of Directors

- No family relationship with any Director and/or Major Shareholder of PGB.
- No conviction for any offences within the past five (5) years, other than traffic offences, if any
- No penalty or public sanction by the relevant regulatory bodies during the financial year ended 31 December 2024

PROFILE OF THE BOARD OF DIRECTORS



HASLIZA OTHMAN

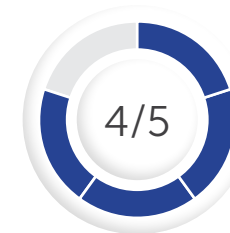
Non-Independent Non-Executive Director

Nationality	Age	Gender
	57	Female

Date of Appointment
15 July 2021

Length of Service
3 years 7 months

Number of Board Meetings Attended



Skills Matrix and Industry Experience



Academic/Professional Qualifications

- Masters of Sciences, Chemical Engineering, Texas A&M University, Texas, United States of America
- Bachelor of Science, Chemical Engineering, Texas A&M University, Texas, United States of America

Present Directorships

- Listed issuer:
- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Senior Vice President, Malaysia Assets, Upstream Business PETRONAS
- Board Member of various companies in PETRONAS

Past Experiences

- Head (Peninsular Malaysia), Malaysia Assets, Upstream, PETRONAS Carigali Sdn. Bhd.
- Head (Resource Development), Malaysia Petroleum Management, PETRONAS
- Head (Upstream Risk & Assurance), Upstream Business, PETRONAS
- General Manager (Field Development, Petroleum Resource Development), Petroleum Management Unit, PETRONAS
- Senior Manager (Front End Engineering, Field Development), Petroleum Management Unit, PETRONAS

Save as disclosed below, no conflict of interest or potential conflict of interest, including interest in any competing business with PGB and its subsidiaries:

- Petroleum Nasional Berhad (PETRONAS) is a major shareholder of PGB. Due to the nature of business of PGB, there are potential transactions with other entities within the PETRONAS Group, of which situations of conflict of interest could arise for the following Directors in their various capacities:
 - (i) Datuk Adif Zulkifli, Marina Md Taib and Hasliza Othman are employees of PETRONAS as stated in their respective profiles under "Present Appointments".
 - (ii) Abdul Aziz Othman is an employee of PETRONAS as stated in his profile under "Present Appointments" and has been seconded to PGB as the MD/CEO.

COMPANY SECRETARIES



MEK YAM @ MARIAM HASSAN

FCIS(CS)(CGP)
Company Secretary

Nationality	Age	Gender
	51	Female

Professional Qualifications

- Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators, United Kingdom
- Fellow of Malaysian Institute of Chartered Secretaries and Administrators

CIK AZIZAHWATI ISHAK

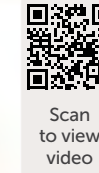
FCIS(CS)(CGP)
Company Secretary

Nationality	Age	Gender
	52	Female

Professional Qualifications

- Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators, United Kingdom
- Fellow of Malaysian Institute of Chartered Secretaries and Administrators

PROFILE OF LEADERSHIP TEAM



Date of Appointment

- January 2021

Length of Service

- 4 Years 2 Months

Responsibilities

- Overall management and operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies.

Academic/Professional Qualifications

- Senior Executive Programme, London Business School
- INSEAD Programme, INSEAD Business School
- Bachelor of Science in Mechanical Engineering, George Washington University, United States of America

Present Appointments

- Senior Vice President, Gas & Power, Gas & Maritime Business
- Board Member of various companies in PETRONAS
- President, Malaysian Gas Association
- Regional Coordinator South & Southeast Asia, International Gas Union
- Member Executive Committee & Member Audit Committee, International Gas Union
- Malaysia Advisor Board, ASEAN Innovation Business Platform

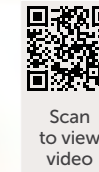
Past Experiences

- Chief Marketing Officer, PETRONAS LNG Limited
- Vice President, Strategy & New Ventures, PETRONAS Energy Canada Limited
- Head, Strategic Planning & Ventures, PETRONAS Chemicals Group Berhad
- Chief Executive Officer, Vinyl Chloride Malaysia Sdn. Bhd.
- General Manager, Centralised Utilities Facilities, PETRONAS Gas Berhad
- Head (Strategy & Business Planning), PETRONAS
- Manager (Corporate Issues), Business Planning & Development, PETRONAS

ABDUL AZIZ OTHMAN

Managing Director/Chief Executive Officer

Nationality Gender Male Age 59



Date of Appointment

- December 2023

Length of Service

- 1 Year 3 Months

Responsibilities

- Overall management and operations of Gas Processing & Utilities in achieving business operation sustainability and long-term growth.

Academic/Professional Qualifications

- Bachelor of Engineering (Chemical Engineer), University of Surrey, United Kingdom
- Senior Management Programme by Duke Corporate Education, Duke University, United States of America

Present Appointments

- Director, PG Energia Sdn. Bhd.
- Director, PG Utilities East Sdn. Bhd.
- Director, PG Gas Processing Sdn. Bhd.
- Director, Regas Terminal (Sg.Udang) Sdn Bhd
- Director, CEFS Response

Past Experiences

- General Manager (Gas Processing Kerteh), PETRONAS Gas Berhad
- General Manager (Utilities), PETRONAS Gas Berhad
- Head (Operation Excellence Management System), PETRONAS Refinery And Petrochemical Corporation Sdn. Bhd.
- Head (Conversion & Sulphur Complex), RAPID Project, Pengerang
- Head (Process Engineering), Group Technical Solutions
- Manager (Refinery Shift), PETRONAS Penapisan (Melaka) Sdn. Bhd.
- Manager (OPI), PETRONAS Penapisan (Melaka) Sdn. Bhd.

SHAहरुl IZAN BAKTI A AZIZ

Senior General Manager, Gas Processing & Utilities

Nationality Gender Male Age 48

PROFILE OF LEADERSHIP TEAM




Scan to view video

Date of Appointment
• January 2024

Length of Service
• 1 Year 2 Months

Responsibilities

- Overall management and operations of Gas Transportation and Regasification facilities by ensuring safe, reliable and efficient pipeline network and regasification operations.

Academic/Professional Qualifications

- Bachelor of Mechanical Engineering, University of Manchester Institute of Science and Technology, United Kingdom

Present Appointments

- Chief Executive Officer, Regas Terminal (Sg. Udang) Sdn. Bhd.
- Director, PG Transco Sdn. Bhd.

Past Experiences

- Head (Pipeline Project), PETRONAS Canada LNG
- General Manager (Crude Planning & Optimisation), PETRONAS
- Senior Manager (Gas Planning & Optimisation-SK), PETRONAS
- Senior Manager (Decomm. Plng. & Control), PETRONAS
- Manager (Onshore & Integration Programme Energy), PETRONAS Carigali Sdn. Bhd.
- Manager (Pipeline), PETRONAS Gas Berhad

IR. MOHD NASAHIE AKBAR ALI
General Manager, Gas Transportation & Regasification

Nationality **Gender** Male **Age** 48




Scan to view video

Date of Appointment
• July 2022

Length of Service
• 2 Years 8 Months

Responsibilities

- Overall Group's financial and fiscal aspects as well as risk management and investor relations.

Academic/Professional Qualifications

- Bachelor of Accounting (Hons), International Islamic University Malaysia (IIUM)
- Fellow, Association of Chartered Certified Accountants (ACCA)

Present Appointments

- Director, Regas Terminal (Sg Udang) Sdn. Bhd.
- Director, Pengerang LNG (Two) Sdn. Bhd.
- Director, Kimanis Power Sdn. Bhd.
- Director, Kimanis O&M Sdn. Bhd.
- Director, Pengerang Gas Solutions Sdn. Bhd.
- Director, Industrial Gases Solutions Sdn. Bhd.
- Director, Sipitang Utilities Sdn. Bhd.
- Director, Regas Terminal (Pengerang) Sdn. Bhd.
- Director, Kimanis Power (Dua) Sdn. Bhd.
- Director, Ranche Power Sdn. Bhd.

Past Experiences

- General Manager (Finance Group & Corporate), PETRONAS
- Head of Finance, PT PETRONAS Niaga Indonesia
- Senior Manager (Financial Services and Treasury), PETRONAS Gas Berhad
- Senior Manager (Group Accounts and Performance), PETRONAS Chemicals Group Berhad
- Manager (Management Accounting - Group & Performance), PETRONAS Chemicals Group Berhad
- Manager (Gas & Power), President's Office PETRONAS

SHAHRUL AZHAM SUKAIMAN
Chief Financial Officer

Nationality **Gender** Male **Age** 45

PROFILE OF LEADERSHIP TEAM




Scan to view video

Date of Appointment
• June 2024

Length of Service
• 8 Months

Responsibilities

- Overall PGB's strategic direction in delivering business growth and commercial matters.

Academic/Professional Qualifications

- Bachelor of Chemical Engineering, Universiti Teknologi Malaysia

Present Appointments


- Chief Executive Officer & Director, Pengerang LNG (Two) Sdn. Bhd.
- Director, Industrial Gases Solutions Sdn. Bhd.
- Director, Sipitang Utilities Sdn. Bhd.
- Director, Regas Terminal (Pengerang) Sdn. Bhd.
- Director, PRPC Utilities and Facilities Sdn. Bhd.
- Director, Pengerang Power Sdn. Bhd.
- Director, PG LinkaranFibre Sdn. Bhd.

Past Experiences

- Deputy CEO, Egyptian LNG
- Head (Marketing), PETRONAS Energy & Gas Trading Sdn. Bhd.
- Head (Utilities), PETRONAS Gas Berhad
- Head (Commercial New Venture), PETRONAS Gas Berhad
- Manager (Process Technology), PETRONAS Gas Berhad
- Manager (LNG Train 9 Project), PETRONAS
- Manager (Process Engineer), PETRONAS Gas Berhad

WAN KHAIRUL NIZAM WAN KASSIM
General Manager, Business Development & Commercial

Nationality **Gender** Male **Age** 44



Date of Appointment
• November 2021

Length of Service
• 3 Years 3 Months

Responsibilities

- Overall talent management and HR strategic partner supporting business leaders.

Academic/Professional Qualifications

- Bachelor of Business Admin (Honour), Universiti Utara Malaysia

Present Appointments

- Nil

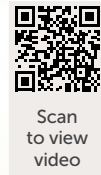
Past Experiences

- Head, Remuneration & Talent Services, Global HR Services, PETRONAS
- Senior Manager in various sections within HR Centralised Services, PETRONAS, which includes Benefits Management, Service Management & Strategic Planning & Business Solutions
- Manager, Vendor Management, HR Centralised Services, PETRONAS
- Team Leader of HR ICT Project, HR Division, PETRONAS
- Manager, Top Talent Development, HR Division, PETRONAS
- Manager, People Planning & Management, PETRONAS Methanol Labuan

ROSNI HAMID
General Manager, Human Resource Management

Nationality **Gender** Female **Age** 49

PROFILE OF LEADERSHIP TEAM



Date of Appointment

- January 2024

Length of Service

- 1 Year 2 Months

Responsibilities

- Overall management of PGB business excellence, sustainability and HSSE governance.

Academic/Professional Qualifications

- Master of Engineering (Mechanical), Imperial College London, United Kingdom

Present Appointments

- Nil

Past Experiences

- Senior Manager (Technical Governance), PETRONAS Canada LNG Ltd.
- Senior Manager (Central Engineering), Malaysia LNG Sdn. Bhd.
- Head (Rotating Equipment), Malaysia LNG Sdn. Bhd.
- Manager (Engineering), Pacific Northwest LNG Project, PETRONAS
- Manager (Lead – Rotating Equipment), Train 9 Project, PETRONAS

MOHAMAD FITRI MD ZAIN

General Manager, HSE and Business Excellence

Nationality Gender Male Age 48

PROFILE OF LEADERSHIP TEAM



Date of Appointment

- March 2023

Length of Service

- 1 Year 11 Months

Responsibilities

- Overall management of legal affairs of PGB Group.

Academic/Professional Qualifications

- Bachelor of Laws, University of Sheffield, England, United Kingdom

Present Appointments

- Nil

Past Experience

- Senior Manager, SLC (ME & Central Asia), PETRONAS
- Senior Manager, SLC (PMA/JDA), PETRONAS
- Senior Manager, SLC (SK Oil), PETRONAS
- Senior Legal Counsel (Spec. Proj./Business Vent.), PETRONAS Gas Berhad
- Legal Counsel, PETRONAS Gas Berhad
- Legal Counsel (HR), PETRONAS
- Head (Legal Counsel), PETRONAS
- Manager (Legal Counsel – Nitro & Ind/Special Chem), PETRONAS
- Manager (Legal Counsel – Olefins & Polymers), PETRONAS

JAMADIL KHAIRIAH MOHAMAD

General Counsel, Legal Gas & Power

Nationality Gender Female Age 48



Date of Appointment

- September 2021

Length of Service

- 3 Years 5 Months

Responsibilities

- Overall strategic communications and stakeholder management.

Academic/Professional Qualifications

- Bachelor of Arts (Communication - Advertising), Charles Sturt University, Australia

Present Appointments

- Nil

Past Experiences

- Head, Research, Group Strategic Communications, PETRONAS
- Manager, Planning & Research, Corporate & Marketing Communication, PETRONAS Dagangan Berhad
- Head, Advertising & Promotions, Corporate & Marketing Communication, PETRONAS Dagangan Berhad
- Manager, Communication Management, Brand Department, PETRONAS Dagangan Berhad
- Brand Marketing Specialist, Chevron Malaysia Limited

FLORENCE OH YEOK KIM

Senior Manager, Strategic Communications

Nationality Gender Female Age 50



Date of Appointment

- October 2021

Length of Service

- 3 Years 4 Months

Responsibilities

- Overall management of Self-Regulatory and statutory compliance of PGB.

Academic/Professional Qualifications

- Master of Science in Industrial & Technology Management, Universiti Kebangsaan Malaysia
- Bachelor of Engineering (Hons) in Mechanical Engineering, Universiti Teknologi PETRONAS

Present Appointments

- Nil

Past Experiences

- Senior Manager (Regasification Terminal), Regas Terminal (Sungai Udang) Sdn. Bhd.
- Senior Manager (Southern Operation), PETRONAS Gas Berhad
- Senior Manager (Technical Services), Gas Transportation & Regasification, PETRONAS Gas Berhad
- Manager (Bintulu Regional Operation), PETRONAS Gas Berhad
- Manager (Mechanical), Operation Engineering Department, PETRONAS Gas Berhad

MOHD AZLI HUSIN

General Manager, Self-Regulatory

Nationality Gender Male Age 47

Additional Information of the Leadership Team

None of the Leadership Team members have any family relationship with any director and/or major shareholder of PGB, nor any conflict of interest with the PGB Group including any interest in any competing business with PGB or its subsidiaries. They have not been convicted for any offence within the past five years, other than traffic offences, if any, nor had any public sanctions or penalty imposed by any regulatory body during the financial year.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE



To our Valued Shareholders,

On behalf of the Board of PETRONAS Gas Berhad (PGB or the Group), I am pleased to present the Corporate Governance Overview Statement for the financial year ended 31 December 2024.

Effective corporate governance remains central to ensuring sustainable, long-term value creation. It provides the foundation for integrity, transparency, and accountability across our business operations. At PGB, we continue to uphold the highest governance standards, guided by the Malaysian Code on Corporate Governance 2021 (MCCG 2021), the Bursa Malaysia Corporate Governance Guide (4th Edition), and the Companies Act 2016. These principles underpin our approach to safeguarding corporate reputation, enhancing investor confidence, and protecting stakeholder interests.

By embedding sound governance practices across the organisation, PGB has delivered consistent shareholder value while making a meaningful contribution to the broader economic landscape. Throughout the year, the Board has worked closely with Senior Management and key stakeholders to refine and strengthen our governance framework, ensuring it remains responsive to evolving regulatory requirements and industry expectations.

As of this statement, PGB is in compliance with all provisions of MCCG 2021, with the exception of Practices 5.2 and 8.2. Further details on these practices and our approach can be found in the Corporate Governance Report 2024, available on our website at www.petronas.com/pgb.

ENHANCING BOARD EFFECTIVENESS

A high-performing Board is essential to ensuring effective governance and strategic oversight. In 2024, we conducted the Board Effectiveness Evaluation (BEE 2024), a structured review assessing the performance of the Board as a whole, as well as individual Directors and Board Committees. The assessment reaffirmed that PGB is led by a capable and well-balanced Board, with strong expertise across key areas of governance, risk management, and sustainability.

As part of our commitment to continuous governance enhancement and to ensure alignment with the evolving regulatory landscape, the Board undertook a comprehensive review and update of the Board Charter and the terms of reference for Board Audit Committee and Board Sustainability and Risk Committee. These refinements further strengthen accountability, transparency, and strategic governance oversight, ensuring that PGB remains well-equipped to navigate the increasingly complex business environment.

STRENGTHENING SUSTAINABILITY GOVERNANCE

Governance and sustainability are increasingly interconnected, and the Board assumes overall responsibility for integrating Environmental, Social & Governance (ESG) factors into PGB's long-term strategy. Sustainability considerations are embedded into decision-making processes, ensuring that the Group

maintains a balanced approach to business growth, environmental responsibility, and social impact.

Throughout the year, the Board engaged in regular discussions and updates on sustainability priorities, goals, and progress, carefully assessing ongoing sustainability initiatives and the resources required to support them. By integrating environmental and social factors into key business decisions, PGB continues to align with regulatory developments and evolving stakeholder expectations.

The Board has delegated sustainability oversight to the Board Sustainability and Risk Committee (BSRC), which plays a crucial role in guiding and monitoring PGB's sustainability commitments. Working closely with Senior Management, the BSRC ensures that the Group's ESG agenda remains aligned with global best practices, regulatory developments, and emerging industry trends. This proactive governance approach supports PGB's ability to adapt to the shifting sustainability landscape while reinforcing resilience and competitiveness.

LOOKING AHEAD

As PGB moves forward, the Board will continue to strengthen governance, risk management, and sustainability practices to ensure that our framework evolves in line with regulatory developments and global best practices. By continuously refining our internal processes, governance policies, and operational strategies, we aim to reinforce our long-term relevance to stakeholders, investors, and the broader market, ensuring that the Group is well-positioned for the future.

On behalf of the Board, I extend my gratitude to Adnan Zainol Abidin for his invaluable contributions to PGB. His leadership has driven growth and significant achievements, leaving behind a strong foundation for continued success. As we transition into a new chapter, I would also like to express my sincere appreciation to our shareholders, regulators, business partners, and employees for your trust and support.

Looking ahead, we will uphold the highest standards of governance, maintain financial and operational discipline, and deliver sustainable value. With a strong foundation in place, PGB is well-prepared to navigate future challenges and capitalise on emerging opportunities for long-term growth.

Thank you for your continued confidence in PETRONAS Gas Berhad.

DATUK ADIF ZULKIFLI
Chairman
PETRONAS Gas Berhad

CORPORATE GOVERNANCE OVERVIEW STATEMENT

We present to you the Corporate Governance (CG) Overview Statement for the financial year ended 31 December 2024.

This statement outlines how the Group has adopted and implemented the principles and best practices set out in the following regulatory frameworks and guidelines:

- 1 Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia)
- 2 Companies Act 2016 (CA 2016).
- 3 MCCG 2021
- 4 Corporate Governance Guide (4th Edition) issued by Bursa Malaysia

In addition, our governance practices have been assessed against the ASEAN Corporate Governance Scorecard and other relevant laws and regulations throughout the financial year to ensure alignment with evolving corporate governance expectations.

This statement should be read in conjunction with the Corporate Governance Report 2024 (CG Report 2024), which is publicly accessible on the Company's corporate website at www.petronas.com/pgb. The CG Overview Statement details how PGB's governance framework and practices align with the key principles of good governance in accordance with MCCG 2021, with specific reference to its three core principles:

**PRINCIPLE A:
Board Leadership and Effectiveness**

**PRINCIPLE B:
Effective Audit and Risk Management**

**PRINCIPLE C:
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

PGB upholds the highest standards of integrity and ethics in the execution of its business operations. Strong corporate governance remains fundamental to sustaining long-term performance, ensuring accountability, and reinforcing investor confidence. The Group's commitment to these principles is not only aimed at delivering value to shareholders but also at fostering long-term economic growth and resilience across the PGB Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

OUR GOVERNANCE STRUCTURE

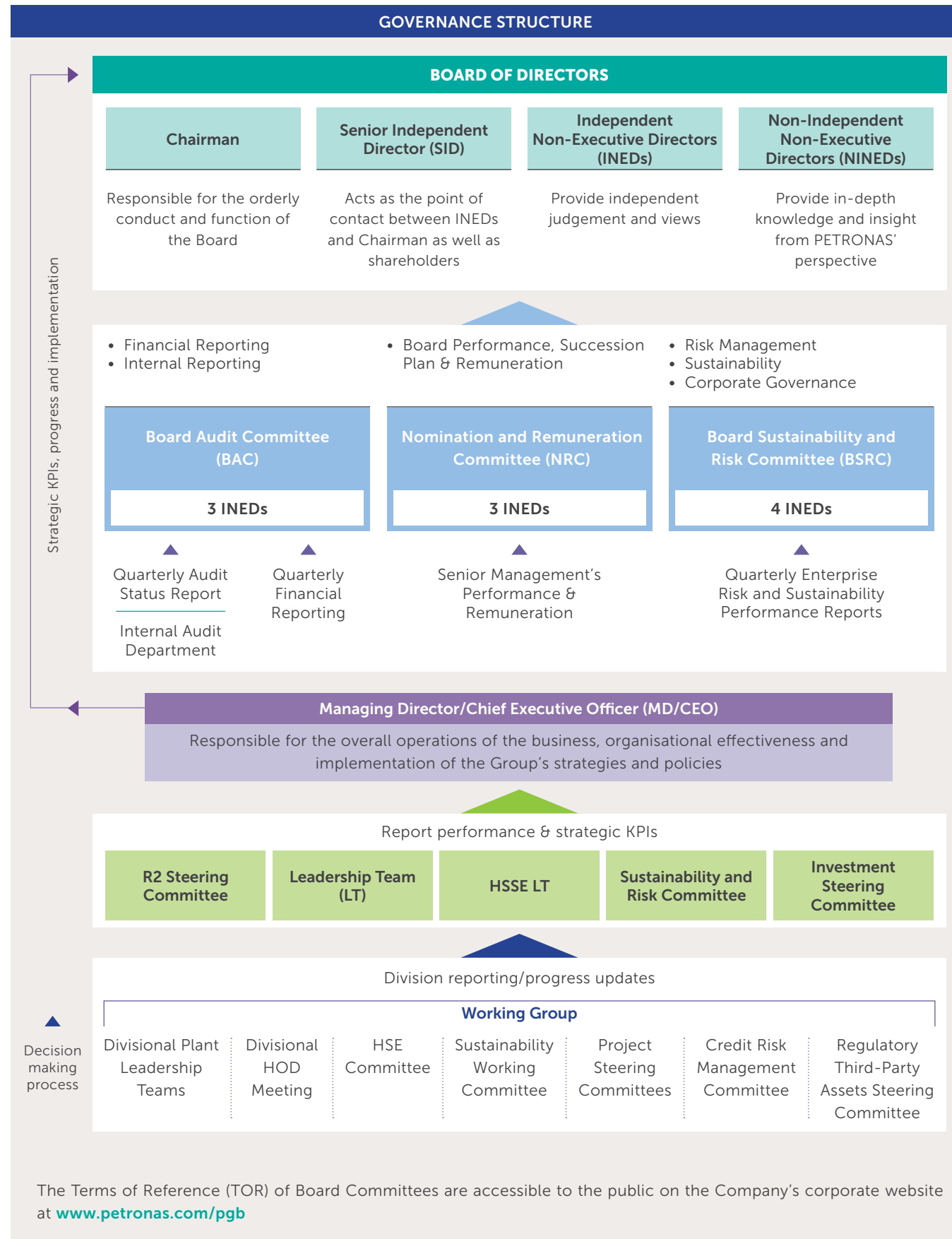
Transparency and accountability are fundamental to the governance framework of PGB, ensuring that these principles are embedded across the Group. Governance structures and practices are designed to uphold integrity, responsibility, and ethical leadership, supporting sustainable growth in alignment with the Group's strategic agenda. While operating entities within the Group maintain a level of autonomy, appropriate checks and balances are in place to ensure effective oversight and governance consistency.

The Board is entrusted with delivering long-term sustainable value to shareholders. This responsibility encompasses setting the Group's strategic direction, overseeing business management, and ensuring the effective execution of key initiatives. In fulfilling this role, the Board approves strategic plans, monitors their implementation, and provides the necessary support to enable management to execute strategies effectively.

A well-defined governance framework supports the Board in carrying out its duties, with clear structures and mechanisms ensuring accountability and effective decision-making. While the Board retains ultimate responsibility for the Group's performance and strategic direction, it delegates specific governance functions to key Board Committees and Management Committees. These delegations ensure that governance responsibilities are discharged effectively while maintaining overall Board oversight. Ethical conduct remains central to the Board's leadership, reinforcing trust among stakeholders and ensuring compliance with regulatory standards.

A structured division of roles and responsibilities further enhances the Board's effectiveness, aligning with the principles set out in the MCCG 2021. This governance structure defines the Board's oversight role and the interaction between various governance components. The following table provides an overview of the Group's governance structure, key Board Committees, and Management Committees that support the Board in fulfilling its governance and strategic oversight responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



CORPORATE GOVERNANCE OVERVIEW STATEMENT

HOW THE BOARD OPERATES?

Our Board Charter

The Board operates in accordance with the guidance set out in the Board Charter, a comprehensive document that defines its roles, responsibilities, and governance framework. This charter serves as a key reference point, ensuring that the Board's oversight functions align with legal and regulatory requirements while maintaining clarity in the delegation of authority.

The Board Charter outlines the respective responsibilities of the Board, the Chairman, and the MD/CEO, covering critical areas such as Board appointments, succession planning, the establishment of Board Committees, stakeholder engagement, and risk management. By providing clear governance principles, the charter supports effective decision-making and accountability at all levels of the organisation.

To ensure continued relevance and alignment with evolving regulatory requirements and best practices, the Board Charter undergoes periodic review and updates. This process allows for the incorporation of necessary amendments to policies, procedures, and governance frameworks, ensuring that PGB remains fully compliant with applicable rules and regulations.

For transparency and accessibility, the Board Charter, along with the TOR for all Board Committees, is available on the PGB's corporate website at www.petronas.com/pgb.

Board Leadership

The Board is responsible for overseeing the success of the Group, ensuring that its affairs are conducted in a responsible, transparent, and effective manner. Each Director is required to act in good faith and in the best interests of the Company, recognising both their collective and individual responsibilities to shareholders. Through diligent oversight and strategic guidance, the Board ensures that the Company's activities are managed and controlled with prudence, reinforcing long-term sustainability and business resilience. The Board is satisfied that it has effectively fulfilled its duties and obligations during the year under review, operating within a robust framework of governance and oversight.

To safeguard stakeholder value creation, the Board ensures that the Company's strategic direction is designed to support sustainable, long-term growth. This includes the integration of economic, environmental, social, and governance (ESG) considerations into decision-making processes, further embedding sustainability within the Group's business operations.

In fulfilling its fiduciary and leadership responsibilities, the Board's key roles include:

- 1 Policy Development and Governance**
 - Ensuring that appropriate policies are in place, effectively adopted, and regularly reviewed in response to evolving business conditions and regulatory requirements.
- 2 Accountability to Stakeholders**
 - Acting in the best interests of shareholders while also recognising the broader impact of the Company's decisions on employees, suppliers, customers, local communities, and the jurisdictions in which PGB operates.
- 3 Risk Management and Internal Control**
 - Reviewing and approving financial statements to ensure accuracy and transparency.
 - Overseeing the management of principal risks and ensuring that a robust internal control system is in place, aligned with applicable laws, regulations, and industry guidelines.
 - Maintaining an effective succession planning framework for the Board and Leadership Team to ensure business continuity.
 - Overseeing the implementation of an investor relations programme and shareholder communication policies to enhance engagement and transparency.
- 4 Strategic Oversight**
 - Reviewing, approving, and monitoring the Group's annual corporate plans, including overall business strategy, financial targets, human resource development, risk management framework, and digital transformation initiatives.

The Board Charter explicitly sets out these roles and responsibilities, providing a structured governance framework that ensures accountability, strategic oversight, and the long-term success of the Group.

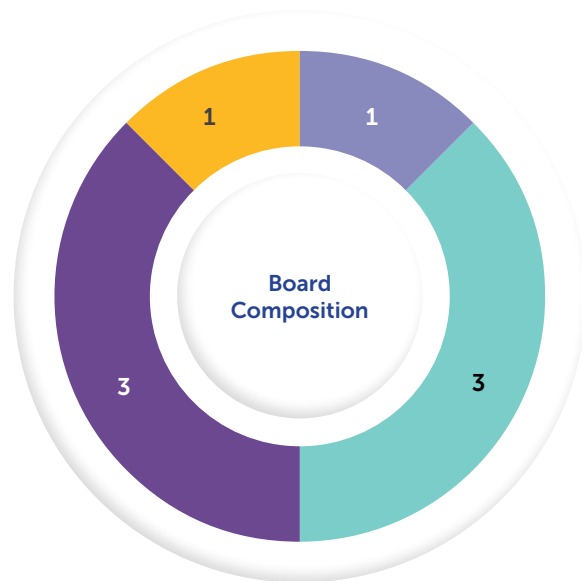
CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Balance and Composition

The Board consists of eight members, comprising one Executive Director, who serves as the MD/CEO, and seven Non-Executive Directors (NEDs). This structure ensures a balanced composition, fostering independent oversight, strategic leadership, and sound governance.

In the financial year under review, Datuk Adif Zulkifli was appointed as Chairman, following the resignation of Adnan Zainol Abidin on 20 August 2024. The Board acknowledges and expresses its gratitude to Adnan Zainol Abidin for his contributions and commitment throughout his tenure.

As at the date of this report, the Board composition is as follows:



- Senior Independent Director
- Non-Independent Non-Executive Director (including Chairman)
- Independent Non-Executive Director
- Executive Director

The Board complies with Paragraph 15.02 of the MMLR of Bursa Malaysia, having more than one-third of its members comprising INEDs. The Board also acknowledges Practice 5.2 of the MCCG 2021, which recommends a majority of INEDs for large companies. Currently, PGB's Board maintains an equal ratio of INEDs to NINEDs. This balanced composition is designed to provide exposure and training opportunities for the PETRONAS Group's management team, aiming to nurture future leaders within the organisation, particularly for PGB as a listed entity.

To ensure a proper balance of independence, accountability, and oversight in Board deliberations, the following measures have been implemented:

- 1** Appointment of a SID to act as a sounding board for the Chairman and to serve as an intermediary for INEDs, ensuring their perspectives are effectively communicated.
- 2** All Board Committees are composed solely of INEDs, reinforcing independent oversight and decision-making.
- 3** Each Board Committee is chaired by an INED, further strengthening independent governance.
- 4** The BAC, consisting entirely of INEDs, reviews all Related Party Transactions (RPTs) before recommending them for Board approval. To uphold transparency and protect the interests of minority shareholders, Directors with an interest in any transaction abstain from deliberation and voting on related matters.

Board members are appointed based on individual merit, experience, and expertise, forming a diverse leadership team equipped with the necessary skills and industry knowledge to provide effective oversight and strategic guidance. The NRC plays a key role in ensuring that the Board maintains an optimal balance in terms of skills, experience, business acumen, and diversity, including considerations of age and gender. This approach enhances the inclusivity of viewpoints and supports informed decision-making during Board discussions.

NEDs contribute their expertise to critically evaluate and scrutinise proposed policies and strategies, ensuring robust discussions and well-informed decisions. In line with Paragraph 15.06 of the MMLR, no Director holds more than five directorships in listed companies. Additionally, Directors are required to notify the Chairman of PGB before accepting any new external board appointments to ensure that their time commitments remain appropriate and do not affect their ability to discharge their duties effectively. No Director has appointed an alternate director.

The profiles of each Director can be found on pages 84 to 91 of this Integrated Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Separate roles of Chairman, MD/CEO and SID

The roles of Chairman and MD/CEO remain distinct to ensure a clear division of responsibilities and effective governance. This separation provides a balanced structure, allowing the Chairman to focus on the leadership and effectiveness of the Board, while the MD/CEO is responsible for the execution of business strategies and the operational management of the Group.

The Chairman's primary role is to oversee and facilitate the smooth functioning of the Board, ensuring that it operates efficiently and in the best interests of shareholders. In contrast, the MD/CEO is accountable for the Group's overall operations, organisational effectiveness, and the execution of its strategic direction and policies. Given the Company's close integration and synergy with PETRONAS, the Chairmanship is retained by a NINED, reinforcing alignment with the Group's long-term objectives. This distinction is essential, recognising the differing expectations and stakeholder engagement associated with each role.

The MD/CEO is supported by the LT, which is responsible for overseeing the various divisions and departments within the Company. Together, they ensure the effective implementation of business strategies, the maintenance of robust systems and controls, and the efficient allocation of resources to support operational and strategic objectives.



ROLES OF CHAIRMAN

DATUK ADIF ZULKIFLI
Chairman

- a. Leading the Board in setting the values and ethical standards of PGB.
- b. Chairing the Board meetings and stimulating debates on issues and encouraging positive contributions from each Director.
- c. Consulting with the Company Secretary in setting the agenda for Board meetings and ensuring that all relevant issues are on the meetings' agendas.
- d. Maintaining a relationship of trust with and between the MD/CEO and NEDs.
- e. Ensuring the provision of accurate, timely and clear information to Directors.
- f. Ensuring effective communication with shareholders and relevant stakeholders.
- g. Conducting performance assessment of the Board, its Committees and individual Directors, including assessment of the independence of INEDs.
- h. Facilitating effective contribution of NEDs and ensuring constructive discussions at Board meetings.
- i. Ensuring that all Directors are properly apprised on issues arising at Board meetings and there is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations.
- j. Allowing every Board resolution to be voted on and ensuring the will of the majority prevails.
- k. Casting votes in accordance with the prescribed Articles in the Constitution of PGB.
- l. Ensuring that all Board members, upon taking up their office, are fully briefed on the terms of their appointment, time commitment, duties and responsibilities, and the business of PGB.
- m. Acting as liaison between the Board and Management, and between the Board and the MD/CEO.

The profile of the Chairman is presented on page 84 of this Integrated Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ROLES OF MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER



ABDUL AZIZ OTHMAN

Managing Director/Chief Executive Officer (MD/CEO)

I. Responsibilities to the Board and PGB:

- a. To develop and recommend to the Board the long-term strategy and vision for PGB and/or Group that leads to the creation of long-term prosperity and stakeholder value.
- b. To develop and recommend to the Board the operational plan and budget that support PGB's and/or Group's long-term strategy.
- c. To foster a corporate culture that promotes ethical practices, encourages individual integrity and the fulfilment of PGB's corporate social responsibilities.
- d. To maintain a positive and ethical working environment that is conducive to attracting, retaining and motivating a diverse work force at all levels.

II. Responsibilities to the Management and business operation:

- a. To recommend suitable management structure and operating authority levels which include delegations of responsibilities to the Management.
- b. To ensure an effective LT below the level of the MD/CEO and to develop an appropriate succession plan.
- c. To formulate and oversee implementation of major corporate policies.
- d. To be accountable to the Board for the financial management and reporting, including forecasts and budgets of PGB.
- e. To report to the Board periodically on the Company's financial positions and results, key performance indicators, market conditions and business development.
- f. To ensure continuous improvement in quality and value of PGB's products and services.
- g. To serve as spokesperson for PGB.
- h. To refer to the Board Committee on matters as requested from time to time.

The profile of the Chairman is presented on page 85 of this Integrated Report.

The respective roles and responsibilities of the Chairman and MD/CEO can be viewed under the Board Charter in the Company's corporate website, www.petronas.com/pgb.

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ROLES OF SENIOR INDEPENDENT DIRECTOR



FARINA FARIKHULLAH KHAN

Senior Independent Director (SID)

The SID acts as a sounding board for the Chairman and key intermediary between the INEDs and the Chairman, particularly in situations requiring impartial oversight and sensitive in nature. The SID provides a confidential avenue for NEDs to raise concerns that may not have been fully addressed within the Board's discussions, ensuring that all perspectives are considered in decision-making.

In addition to supporting Board dynamics, the SID also serves as an alternative communication channel for shareholders and stakeholders, allowing them to express concerns or raise issues that require independent attention. This mechanism enhances transparency and strengthens engagement by ensuring that matters are appropriately directed to the relevant parties for resolution.

Queries relating to the Group may be addressed to the SID via email at farina.khan@petronas.com.my or sent to the following address:

Farina Farikhullah Khan
Senior Independent Director
PETRONAS Gas Berhad
Level 67, Tower 1, PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

The profile of the Senior Independent Director is presented on page 86 of this Integrated Report.

Separation of Powers between the Board and Management

The MD/CEO is supported in the day-to-day management of the Group's operations by the LT, alongside key committees including the HSSE LT, R2 Steering Committee, Sustainability and Risk Committee, and Investment Steering Committee. These committees serve as advisory bodies, providing the MD/CEO with regular insights and recommendations on operational, risk management, sustainability, and investment matters.

The LT plays a vital role in ensuring the effective implementation of systems, controls, and resource allocation, enabling the execution of business strategies and decisions endorsed by the Board or the MD/CEO. To maintain transparency and accountability, monthly performance reports and strategic Key Performance Indicators (KPIs) are presented to the MD/CEO by the respective committees. Additionally, working groups within the business units provide regular updates on progress, ensuring that strategic initiatives remain on track and aligned with the Group's overall objectives.

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Board Diversity

The Board values diversity as a key factor in enhancing its effectiveness, enabling broader perspectives and more inclusive deliberations. PGB's Diversity Policy is firmly in place, ensuring that the Board comprises a diverse mix of age, gender, skills, and experience. This approach strengthens decision-making, supports effective stewardship, and enhances the Group's ability to create long-term value. Embracing diversity is also essential in ensuring the Company remains relevant and resilient in an evolving business landscape.

In line with the national goal of achieving 30% representation of women on boards, PGB currently has three women directors, representing 38% of the Board's composition. This aligns with the expectations set out in Practice 5.9 and Practice 5.10 of the MCCG 2021. The Board remains committed to fostering a corporate culture that actively promotes gender diversity and equal opportunity at all levels of the organisation.

The NRC undertakes an annual review and evaluation of the Board's composition and performance, including the assessment of candidates for Board appointments. Diversity remains a key consideration in this process, ensuring that new appointments contribute to a well-balanced Board with the necessary expertise and perspectives.

To further advance and maintain diversity within the Board, the following commitments are upheld:

- Reviewing succession plans with a strong emphasis on diversity.
- Identifying specific criteria to be considered in the recruitment and selection process.
- Ensuring that the candidate selection process actively seeks diverse candidates, including women.
- Assessing the Board's overall diversity in terms of gender, age, skills, experience, and expertise, and addressing any gaps where necessary.

The Board Diversity Policy is publicly available for reference on the Company's corporate website at www.petronas.com/pgb.

Independence

The Board highlights the essential role of INEDs in maintaining strong corporate governance. While all Directors, regardless of their independence status, are expected to act in the best interests of the Company and exercise objective judgment, INEDs provide additional oversight, ensuring impartial decision-making and robust governance practices.

At present, the Board includes four INEDs, each of whom meets the following independence criteria:

- They remain independent from Management and do not have any business or other relationships that could compromise their ability to exercise sound judgment or act in the Company's best interests.
- They do not engage in the day-to-day operations of the Company unless collective Board approval is required, thereby mitigating any undue external influence and supporting fair and independent decision-making.
- They declare any interests or potential conflicts of interest before Board meetings. Meeting materials are provided at least five business days in advance, allowing Directors to assess their involvement in agenda items. If a conflict arises, the affected Directors must recuse themselves from deliberations and voting, ensuring that discussions remain unbiased. This practice also applies to NINEDs.

During the financial year 2024, the Board affirmed that none of the INEDs had any relationships or conflict of interest that could materially interfere with, or be perceived to materially interfere with, their unfettered and independent judgement and ability to act in the best interests of the Company.

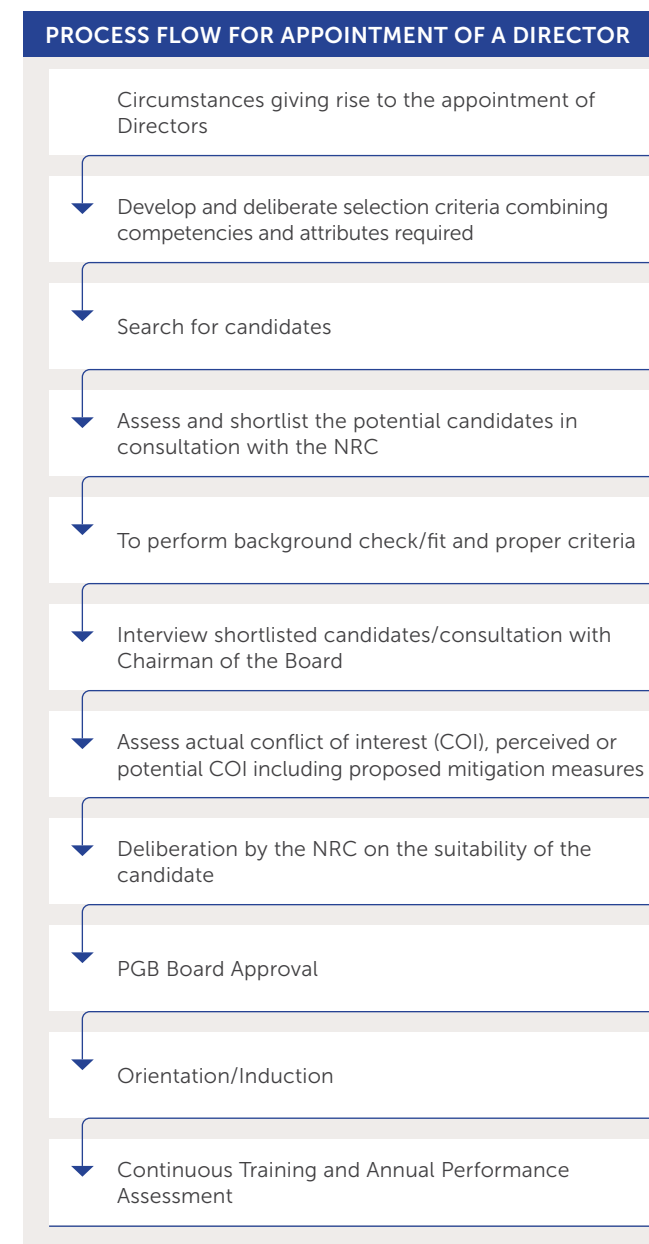
The Company has adopted a tenure policy that limits an INED's total service on the Board to nine years, as recommended by the MCCG 2021. As at the date of this report, none of the current INEDs has exceeded this tenure threshold.

To strengthen governance standards and ensure adherence to the MMLR of Bursa Malaysia, the Company has also expanded the definition of independent directors by extending the cooling-off period from two years to three years for specific individuals such as former officers, advisers, and transacting parties of the Company or its related corporations. This requirement applies equally to NINEDs as part of the Board Succession Planning Framework, reinforcing the Board's commitment to maintaining high levels of independence and governance integrity.

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Board Appointment Process

The Board appointment process is summarised in the chart below:



PGB maintains a formal and transparent process for the appointment of new directors, ensuring that Board composition reflects the necessary expertise, diversity, and governance standards. The nomination of NINEDs is undertaken by PETRONAS, the majority shareholder of PGB. Meanwhile, INEDs may be nominated by existing Board members or identified through a professional recruitment firm, ensuring that the most qualified candidates are considered for vacant positions.

The NRC oversees the selection process in accordance with the Board Appointment Process, guided by the Board Succession Planning Framework and the Director's Fit and Proper Policy. This structured approach ensures that appointments align with the Company's long-term strategic objectives and governance principles.

Before a candidate is recommended for appointment, the Company Secretary conducts comprehensive background checks, including assessments of financial standing, character, and integrity. Meanwhile, the BAC reviews any potential COI that may arise following such appointment.

All Board nominations undergo an initial evaluation by the NRC, which carefully assesses the candidate's skills, competencies, industry experience, integrity, and personal attributes. The assessment also considers the time commitment required to fulfil directorial responsibilities effectively. Additionally, the selection process prioritises diversity, ensuring a balanced mix of age, gender, and expertise within the Board.

Directors' Re-election

To ensure continuity and effective governance, one-third of the Directors retire by rotation at each Annual General Meeting (AGM) in accordance with the MMLR and Article 107 of the Company's Constitution. This process ensures that all Directors seek re-election at least once every three years. Retiring Directors continue to serve until the conclusion of the AGM, whether adjourned or not, and remain eligible for re-election. The NRC reviews and endorses the Directors' rotation list before submitting it to the Board for approval. Directors standing for re-election must provide their consent before the Board meeting.

The NRC assesses candidates for re-election based on their competencies, commitment, contribution, and performance, as determined through the BEE. Additionally, the NRC evaluates whether retiring Directors continue to meet the fit and proper criteria outlined in the Director's Fit and Proper Policy, ensuring they can act in the best interests of the Company.

Taking into account the extended role of the BAC, the BAC on 17 February 2025, assessed any related party transactions and COI situations that have arisen, persist or may arise involving directors of the Company, including retiring directors seeking for re-election. This is necessary to ensure that any issues related to COI are addressed prior to the re-election. The Board satisfies with the recommended measures reviewed by BAC in addressing the COI.

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For the re-election of directors at the upcoming 42nd AGM, at its meeting on 21 February 2025, the Board endorsed the NRC's recommendation for the following Directors to be considered for re-election under Article 100 and Article 107 of the Company's Constitution at the upcoming 42nd AGM. Each of these Directors has confirmed their consent to stand for re-election at the AGM:

Article 100 of the Company's Constitution:

- Datuk Adif Zulkifli

Article 107 of the Company's Constitution:

- Farina Farikhullah Khan

Datuk Yeow Kian Chai who is also retiring under Article 107 of the Company's Constitution at the forthcoming 42nd AGM has expressed his intention not to seek for re-election.

Board Meetings and Attendance

The Board meets at least quarterly, with additional meetings convened as required. For the financial year under review, all meetings, including those of the Board, Board Committees, and General Meetings, were scheduled in advance in November 2023. This allowed Directors to incorporate them into their schedules, ensuring their availability and active participation. Where urgent matters arose between scheduled meetings, decisions were made through written circular resolutions. However, the decisions made through written circular resolutions were confined to those that are procedural and administrative in nature.

A structured schedule outlines key matters reserved for Board consideration, including corporate strategy, annual budgets, operational and financial performance reviews, major investments, risk management, management performance assessments, changes to the control structure, and key policies and procedures. Members of the Leadership Team attend Board meetings by invitation, providing updates on their respective areas of responsibility and presenting new proposals or progress reports in line with Board recommendations. All proceedings are duly recorded, with minutes formally documented and maintained by the Company Secretary.

In response to evolving business and governance practices, the Board has adopted a hybrid approach for certain activities, including strategic discussions, high-level decision-making, and financial and governance matters, ensuring flexibility while

maintaining efficiency. During the year, five Board meetings were held, complemented by written circular resolutions for urgent matters. Directors demonstrated a high level of engagement, contributing to robust discussions and ensuring informed, impartial decision-making in the best interests of the Company and its stakeholders.

Directors met the minimum attendance requirement of 50% for Board meetings, as prescribed under the MMLR of Bursa Malaysia. Overall attendance across all Board meetings was nearly 100%, reflecting a strong commitment to governance and stewardship. The Board is satisfied with the level of dedication shown by its members in fulfilling their responsibilities.

The attendance record of each Director at Board, Board Committee, and the 41st AGM during the year under review is detailed below:

NAME OF DIRECTORS	BOD	BAC	NRC	BSRC	AGM
Datuk Adif Zulkifli *	1/1				
Abdul Aziz Othman	5/5				1/1
Farina Farikhullah Khan	5/5	5/5	4/4	4/4	1/1
Datuk Yeow Kian Chai	4/5		4/4	4/4	1/1
Marina Md Taib	4/5				1/1
Datuk Mark Victor Rozario	5/5	5/5	4/4	4/4	1/1
Sujit Singh Parhar s/o Sukhdev Singh	5/5	5/5		4/4	1/1
Hasliza Othman	4/5				1/1
Adnan Zainol Abidin **	4/4				1/1

Note:
Datuk Adif Zulkifli * Appointed with effect from 20 August 2024
Adnan Zainol Abidin ** Resigned with effect from 20 August 2024

2024 saw the Board and Board Committees spent a total of approximately 94 hours 47 minutes in discharging its key fiduciary duties and oversight functions and responsibilities.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees

To ensure the effective discharge of its responsibilities, the Board has delegated specific functions to its Committees, each operating under defined TOR. These Committees provide focused oversight and recommendations, enabling the Board to maintain a strategic and well-governed approach to decision-making.

The Chairs of all Committees report to the Board on key matters, providing updates on discussions, decisions, and outcomes from Committee meetings.

Further details on the activities and deliberations of the BAC, BSRC, and NRC can be found on pages 124 to 145 of this Integrated Report.

Board Strategic Conversation

Beyond the scheduled meetings, the Company convened a BSC with the LT on 3 and 4 September 2024. This session served as a platform to review key developments, assess the external environment and market outlook, and engage in strategic discussions on the Group's growth plans.

Supply and Access to Information

Board meeting materials, including a comprehensive agenda and supporting papers with both qualitative and quantitative insights, are circulated to all Directors at least five business days before each meeting. This advance distribution allows sufficient time for review, enabling Directors to seek clarifications from Management or the Company Secretary and adequately prepare for discussions. Directors may also propose agenda items, while urgent matters can be tabled under "Any Other Business," subject to approval from both the MD/CEO and the Chairman.

To facilitate well-informed decision-making, Board papers provide detailed information on objectives, background, key issues, implications, risks, strategic alignment, and recommendations. Where necessary, Management and external consultants present briefings during meetings to offer additional clarity and support the Board in evaluating critical matters.

An online collaborative platform allows Directors to securely access, review, and engage with Board materials, enhancing efficiency and ensuring continuous access to relevant documents. This system also enables direct communication between Board members and the Company Secretary.

Unrestricted access to Management and all pertinent information about the Group further supports Directors in fulfilling their oversight responsibilities. Additionally, they may consult the Company Secretary for guidance on statutory and regulatory requirements. If required, Directors, either collectively or individually, have the right to obtain independent professional advice at the Company's expense to assist them in carrying out their duties.

Overview of Various Agenda Items on the Board and Board Committees Meetings 2024

JANUARY	
NRC	• MD/CEO Scorecard for FY2024
FEBRUARY	
NRC	<ul style="list-style-type: none"> • Revision of Manpower Cost for PGB MD/CEO • MD/CEO Direct Reports Scorecards for FY2024 • Governance and Financial Report 2023: NRC Report • Re-Election of Directors at PGB's 41st AGM and Renewal of tenure of INEDs • Training Programmes attended by Directors in 2023 and Proposed Trainings/Conferences for Directors for the FY2024 • BEE Report for the year ended 31 December 2023

Notes: Financial Strategy Risk and Internal Control Corporate Governance and Compliance

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FEBRUARY (CONT'D)	
BAC	<ul style="list-style-type: none"> Q4 2023 Financial Results & Performance Review and Audited Financial Statements for FY 2023 F KPMG Presentation on PGB Group Audit Status for the year ended 31 December 2023 R Private Session between KPMG and BAC R Status Update on Recurrent Related Party Transactions as at 31 December 2023 R Proposed Revision to the TOR of BAC C
BSRC	<ul style="list-style-type: none"> Strategic Business Discussions S Strategic Business Discussions S Q4 2023 Risk Appetite and Enterprise Risk Report (ERR) updates R Q4 2023 Sustainability Performance R
BOARD	<ul style="list-style-type: none"> Litigation/Arbitration Update C 2023 Financial Results & Performance Review and Audited Financial Statements for the FY2023 F Strategic Business Discussions S Revision of Manpower Cost for MD/CEO F Corporate Governance (CG) Report for FY2023 C
MARCH	
BOARD	<ul style="list-style-type: none"> Strategic Business Discussions S
MAY	
BAC	<ul style="list-style-type: none"> Q1 2024 Financial Results & Performance Review F Appointment of KPMG PLT (KPMG) for Non-Audit Assurance Services R Q1 2024 Status Update on Recurrent Related Party Transactions R
BSRC	<ul style="list-style-type: none"> Strategic Business Discussions S Establishment of PETRONAS Integrity Governance Unit (IGU) @ Group Integrity C
BOARD	<ul style="list-style-type: none"> Q1 2024 Financial Results & Performance Review F Litigation/Arbitration Update C

Notes: **F** Financial **S** Strategy **R** Risk and Internal Control **C** Corporate Governance and Compliance

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AUGUST	
NRC	<ul style="list-style-type: none"> Change of Chairmanship of the Company C Renewal of Tenure of INED C
BAC	<ul style="list-style-type: none"> Q2 2024 Financial Results & Performance Review F Q2 2024 Status Update on Recurrent Related Party Transactions R Confirmation of KPMG Audit Independence in relation to Appointment of External Counsel for PGB Project C
BSRC	<ul style="list-style-type: none"> Strategic Business Discussions S Q2 2024 Risk Appetite and ERR Updates R
BOARD	<ul style="list-style-type: none"> Litigation/Arbitration Update C Q2 2024 Financial Results & Performance Review F KPSB Sukuk Early Redemption and Refinancing Plan F Opening of New Foreign Exchange (FX) Lines F
NOVEMBER	
NRC	<ul style="list-style-type: none"> Employee Performance Rating for PGB Senior Management 2024 C Annual BEE: Questionnaires C
BAC	<ul style="list-style-type: none"> Q3 2024 Financial Results & Performance Review F Q3 2024 Recurrent Related Party Transactions Update R Revision of PGB Limits of Authority C PGB Group Audit Plan FY2024 R Private session between KPMG and BAC R Deliberation on Audit and its related activities R Strategic Business Discussions S
BSRC	<ul style="list-style-type: none"> Strategic Business Discussions S Q3 Enterprise Risk Profile (ERP) R
BOARD	<ul style="list-style-type: none"> Litigation/Arbitration Report C Strategic Business Discussions S PGB Business Plans 2025-2029 & Budget 2025 F 2025 ERP R Q3 2024 Financial Results & Performance Review F
DECEMBER	
BAC	<ul style="list-style-type: none"> Deliberation on Audit and its related activities R

Notes: **F** Financial **S** Strategy **R** Risk and Internal Control **C** Corporate Governance and Compliance

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Sustainability

Available as a separate publication, PGB's 2024 Sustainability Report provides a comprehensive insight into the Group's ongoing efforts to integrate sustainable practices into its operations. It outlines key initiatives aimed at enhancing resilience, improving long-term competitiveness, and responding to evolving stakeholder expectations on ESG matters. The report also details the Group's sustainability framework and commitments, reflecting its strategic approach to responsible business practices.

Directors' Indemnity

Throughout the financial year, PGB maintained indemnification for its Directors in line with the provisions of the Companies Act 2016, subject to the insurability limits set under the Directors' and Officers' Liability Insurance (D&O) policy arranged by the Company. This indemnity provides protection against liabilities arising from the discharge of their duties and responsibilities.

Directors also have the option to obtain additional D&O insurance for coverage beyond the indemnification provided by the Company or in circumstances where coverage is not applicable. The insurance premium is determined by the insurance provider.

Succession Plan

The Board has established the Board Succession Plan Framework as a structured approach to the identification and selection of NEDs. This framework ensures an orderly transition in response to anticipated retirements, Board expansion, or other circumstances requiring new appointments. Overseen by the NRC, the framework supports the ongoing effectiveness of the Board by maintaining an optimal mix of skills, experience, and independence.

Under the authority of the Board, the NRC is responsible for overseeing the succession planning of Directors, ensuring a well-balanced composition that meets the strategic needs of the Company. This includes reviewing the tenure of INEDs and assessing the Board's collective expertise.

Beyond Board succession, the NRC is also tasked with overseeing succession planning for the MD/CEO and the LT. The committee continues to review and assess the leadership pipeline, ensuring a strong pool of talent is available for key executive positions. The NRC remains confident in the depth of internal capabilities for potential successors to the MD/CEO and LT roles. Where internal talent is not available, the NRC remains prepared to identify and recruit external candidates for critical leadership positions.

Onboarding and Continuing Development Programme for Directors

Newly appointed Directors participate in a structured induction programme designed to provide them with a comprehensive understanding of the Group's operations, financial risk management, internal audit processes, corporate governance framework, and strategic priorities. Led by the LT, the programme also includes briefings on innovation, technology, and key ongoing and prospective projects to support Directors in their transition. During the year under review, PGB conducted onboarding programme to Datuk Adif Zulkifli, a newly appointed Chairman. 75% of directors have also completed the Mandatory Accreditation Programme (MAP) II as required under the MMLR of Bursa Malaysia during the year.

In compliance with Paragraph 15.08 of the MMLR of Bursa Malaysia, Directors actively engage in professional development activities to ensure they remain well informed of regulatory developments, industry trends, and corporate governance best practices. These activities include conferences, training programmes, and seminars, covering a broad range of topics, such as corporate governance, financial management, industry insights, and global business developments, equipping Directors with the necessary knowledge to fulfil their duties effectively.

Additionally, members of the BAC attended specialised training on accounting and auditing standards, meeting the expectations of the MCCG 2021 and reinforcing their expertise in financial oversight.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Moreover, during the year under review, Directors played diverse roles in various capacities at seminars and training programmes, serving as both delegates and speakers. Further details of their participation are outlined below:

DIRECTORS	TRAININGS PROGRAMMES /CONFERENCES ATTENDED	ORGANISER	DATE
Datuk Adif Zulkifli	• Offshore Technology Conference Asia: Leaders Dialogue	Offshore Technology Conference Asia	27 March 2024
	• 48 th Indonesian Petroleum Association Convention 2024	Indonesian Petroleum Association	14 – 16 May 2024
	• ASCOPE: Leadership Forum	ASCOPE	27 – 28 May 2024
	• MISC Group Directors' Training FY2024	MISC	4 October 2024
	• PIVA North America Emerging Tech Day	PIVA Capital	12 – 14 November 2024
	• Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 November 2024
Abdul Aziz Othman	• Malaysia-China Summit 2024 Leadership Conference	Qube Integrated Malaysia Sdn Bhd/ MITEC	18 December 2024
	• Baker Hughes Annual Meeting 2024	Baker Hughes, Florence, Italy	29 – 31 January 2024
	• Power Sector Reform @ PETRA Retreat	PETRA	5 March 2024
	• PETRONAS Gas Berhad BAC & BSRC Training	PGB	12 July 2024
Farina Farikhullah Khan	• IndoPACIFIC LNG Summit 2024 – LNG's Role in Net Zero Emission	Indonesian Gas Society, Bali, Indonesia	16 - 17 July 2024
	• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights & The Role of Business	PETRONAS	29 January 2024
	• Anti Money Laundering Awareness Session	AmBank	7 March 2024
	• Bursa Securities Malaysia's Requirement: Roles and Responsibilities of Board In Financial Reporting	AmBank	4 April 2024
	• PETRONAS Board Conversation Series: COP28 Reflection	PETRONAS	11 June 2024
	• Refresher on Basel FIRB (Foundation Internal Ratings Based)	AmBank	4 July 2024
	• PETRONAS Gas Berhad BAC & BSRC Training	PGB	12 July 2024
	• Greenhouse Gas Management	PGB	10 September 2024
	• Malaysia's Climate Agenda and Carbon Market	PGB	10 September 2024
	• Board Strategic Away Day Portfolio Review and Strategic Conversation	KLCC Property Holdings Berhad	24 – 25 October 2024
	• MAP Part II: Leading for Impact	ICDM	4 - 5 November 2024
	• Directors' Remuneration Report Launch	AmBank	11 November 2024
• Anti Bribery & Corruption Training	AmBank	12 November 2024	
• Sustainability Deep Dive: Scope 3	PETRONAS	20 November 2024	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS	TRAININGS PROGRAMMES /CONFERENCES ATTENDED	ORGANISER	DATE
Datuk Yeow Kian Chai	• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights & The Role of Business	PETRONAS	29 January 2024
	• PETRONAS Board Conversation Series: Towards Net Zero	PETRONAS	15 May 2024
	• PETRONAS Board Conversation Series: COP28 Reflection	PETRONAS	11 June 2024
	• PETRONAS Gas Berhad BAC & BSRC Training	PGB	12 July 2024
	• Greenhouse Gas Management	PGB	10 September 2024
	• Malaysia's Climate Agenda and Carbon Market	PGB	10 September 2024
	• Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 November 2024
Datuk Mark Victor Rozario	• CGS – CIMB 16 th Annual Malaysia Corporate Day	CGS Berhad	3 January 2024
	• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights & The Role of Business	PETRONAS	29 January 2024
	• Asia Pacific Digital Innovation Expo (ADIE) 2024, Singapore (Keynote Speaker)	Dot Connector	14 – 15 March 2024
	• ICDM Member's Exclusive with Deloitte : Climate Governance 101 - A Board's Guide to Effective Oversight	ICDM	21 March 2024
	• SPARK SEA 2024 Tech Outlook Forum (Speaker)	SPARK	4 April 2024
	• The Innovation Catalyst: Transforming Challenges into Opportunities	Korn Ferry	7 May 2024
	• PETRONAS Board Conversation Series: Towards Net Zero	PETRONAS	15 May 2024
	• BCG Board Sustainability Forum	BCG	23 May 2024
	• Managing NFR (Non-Financial Risks) as a Driver for Organisational Performance	YTL	10 June 2024
	• PETRONAS Board Conversation Series: COP28 Reflection	PETRONAS	11 June 2024
	• 10 th China Digital Innovation Expo (CDIE) 2024, China (Speaker)	Dot Connector	25 – 26 June 2024
	• Recent Developments with Listing Requirements including Conflict of Interest Amendments	CKM & YTL	2 July 2024
	• PETRONAS Gas Berhad BAC & BSRC Training	PGB	12 July 2024
	• Greenhouse Gas Management	PGB	10 September 2024
	• Malaysia's Climate Agenda and Carbon Market	PGB	10 September 2024
	• SCxSC Fintech Summit 2024	Securities Commission Malaysia	1 – 2 October 2024
	• Sustainability Deep Dive: Scope 3	PETRONAS	20 November 2024
• YTL LEAD Conference 2024	YTL	21 November 2024	
• Asia Pacific Digital Innovation Expo (ADIE) 2024 – Digital Innovation For Sustainable Business Growth (Speaker)	Dot Connector	5 December 2024	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS	TRAININGS PROGRAMMES /CONFERENCES ATTENDED	ORGANISER	DATE
Mr Sujit Singh Parhar S/O Sukhdev Singh	• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights & The Role of Business	PETRONAS	29 January 2024
	• PETRONAS Board Conversation Series: Towards Net Zero	PETRONAS	15 May 2024
	• PETRONAS Board Conversation Series: COP28 Reflection	PETRONAS	11 June 2024
	• PETRONAS Gas Berhad BAC & BSRC Training	PGB	12 July 2024
	• MAP Part II: Leading for Impact	ICDM	22 August 2024 & 26 August 2024
	• Greenhouse Gas Management	PGB	10 September 2024
	• Malaysia's Climate Agenda and Carbon Market	PGB	10 September 2024
	Marina Md Taib	• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights & The Role of Business	PETRONAS
• Climate and Clean Energy Transition Forum		Australian Government, Melbourne, Australia	4 March 2024
• Power Sector Reform @ PETRA Retreat		PETRA	5 March 2024
• Japan Energy Summit and Conference Leadership Roundtable - Rebooting Asia's Energy Transition		Japan Energy Summit, Tokyo, Japan	3 – 5 June 2024
• MAP Part II: Leading for Impact		ICDM	22 – 23 July 2024
• PETRONAS Board Excellence: Rising Above 2		PETRONAS	3 October 2024
• Board Conversation Series: Sustainability Talk on Just Transition		PETRONAS	28 November 2024
Hasliza Othman		• PETRONAS Board Conversation Series: Sustainability Talk on Human Rights & The Role of Business	PETRONAS
	• MAP Part II: Leading for Impact	ICDM	28 - 29 February 2024
	• Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board's 2024 Key Focus Areas and Priorities

The diagram below highlights the key areas of focus for the Board, featured as agenda items during the respective meetings throughout the year. In-depth discussions on these items enable the Board to make well-informed decisions, considering the long-term implications for the business and its stakeholders.

	KEY FOCUS AREAS	DESCRIPTION
 Strategy	Group Strategic Initiatives and Plans	The Board deliberated on long-term strategic options and provide the relevant feedback and steer.
	Group's Business Plan and Budget	The Board deliberated and approved PGB's business plan. PGB strategic targets, operational plan and financial forecasts were presented to the Board for their deliberation. The Board deliberated the risks as well as potential challenges, both external and internal, towards achieving the business plan. The Board considered and approved the budget necessary to carry out the business plan.
 Financial	Group's Performance on Quarterly basis	The business performance report is mandatory to be reported at quarterly board meeting. Performance is measured and tracked against approved Key Performance Indicators. On quarterly basis, the Board was updated on the performance against the Business Performance targets.
	Interim Dividends	The Board considered and approved the proposal on declaration of Interim Dividends.
 Risk and Internal Controls	Management of principal risks	<p>The Board deliberated and approved PGB critical risks that may significantly impact PGB business goals and targets. The Board constantly monitors the agreed mitigations to manage or reduce the likelihood and impact of these critical risks. Key risk indicators which provide early warnings of risk manifestation were also reported to the Board.</p> <p>To ensure risks undertaken in pursuit of business objectives are within Board acceptable level, the Board approved PGB risk appetite which sets its key operational boundaries. Any breach of risk appetite may jeopardise PGB business sustainability, hence, will be escalated to the Board for deliberation.</p> <p>In achieving comprehensive risk-based decision making, the Board also deliberated on the risks related to high impact business matters such as projects' Final Investment Decisions in order to assess the feasibility and commerciality of these projects and investments.</p>
	Internal Performance and Development	<p>The Board assisted by BSRC deliberated PGB's sustainability strategy and ensuring it aligns with the company's overall business strategy.</p> <p>The sustainability performance is deliberated to ensure PGB's sustainability governance is being implemented effectively across the four sustainability lenses. The performance indicators is reviewed regularly to address current business needs and sustainability blueprint objectives.</p> <p>The sustainability development is being steered and deliberated to ensure the right direction, roadmaps and frameworks are established to facilitate the correct initiatives are being implemented successfully in alignment with our blueprint.</p>
 Corporate Governance and Compliance	External Development	Any external developments that may carry an impact on PGB's businesses such as new policies or regulations are deliberated. These updates are critical to navigate the emerging risks and leverage potential opportunities.
	Adhering and upholding best corporate governance practices	<p>As part of the role of the Board of PGB, the Board via BSRC reviewed the Company's status of adherence to the MCCG 2021 in order to continue the current practice to sustain MCCG best practice.</p> <p>During the year under review, the Board has also approved the revision to PGB LOA and SOA.</p> <p>Based on good governance best practices, a comprehensive LOA review and revision is required to be executed every 3 to 5 years in order to reflect the latest business requirements and any changes to organisation structure.</p>
	Related Party Transactions and Conflict of Interest	The Board deliberated and approved RPTs and Recurrent Related Party Transactions (RRPTs) in accordance with PGB Guidelines and Procedures on RPTs and COI Situations to ensure the transactions are at all times carried out at arm's length basis and not to detriment of the minority shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Qualified and Competent Company Secretaries

The Company Secretaries of PGB, Mek Yam @ Mariam Hassan and Cik Azizahwati Ishak, are duly qualified to serve in their roles in accordance with Section 235 of the Companies Act 2016. Both are Fellows of the Malaysian Institute of Chartered Secretaries and Administrators, bringing extensive expertise in corporate governance and regulatory compliance. In their capacities, they act as advisors to the Board, providing guidance on the Company's Constitution, policies, and procedures while ensuring adherence to applicable laws, regulations, codes, and governance guidelines.

A key function of the Company Secretaries is to facilitate the effective operation of the Board and its Committees by documenting discussions, decisions, and deliberations. They also play an essential role in ensuring that the Board remains informed of follow-up actions taken by Management in response to Board resolutions and recommendations.

Remaining up to date with regulatory developments and best practices in corporate governance is an ongoing priority. To support this, the Company Secretaries actively participate in continuous professional development and training programmes. During the year under review, they attended the following training sessions:

NAME	DEVELOPMENT PROGRAMME ATTENDED	ORGANISER	DATE
Mek Yam @ Mariam Bt Hassan	PETRONAS Board Excellence: 7 th AC Forum	PETRONAS	22 April 2024
	CSIA Global Governance Awards	MAICSA	23 April 2024
	Beneficial Ownership - Practical BO Reporting	PETRONAS	2 May 2024
	Recent Developments with the LR, Including COI Amendments	CKM Advisory	4 July 2024
	PETRONAS Gas Berhad BAC & BSRC Training	PLC/PGB	12 July 2024
	SSM National Conference 2024	SSM	27 August 2024
	PDM: Module 7 – Stock Exchange & The Malaysian Listing Requirements & Financial Assistance and Announcement to Bursa Malaysia Berhad	PETRONAS	10 September 2024
	MAICSA Annual Conference 2024	MAICSA	22 October 2024
PDM: Module 6 – Issuance and Allotment of Shares Equity Funding RPS	PETRONAS	5 November 2024	
Cik Azizahwati Ishak	PETRONAS Board Conversation Series: Sustainability Talk on Human Rights & The Role of Business	PETRONAS	29 January 2024
	PETRONAS Board Excellence: 7 th AC Forum	PETRONAS	22 April 2024
	Beneficial Ownership - Practical BO Reporting	PETRONAS	2 May 2024
	PETRONAS Board Conversation Series: Towards Net Zero	PETRONAS	15 May 2024
	Recent Developments with the LR, Including COI Amendments	CKM Advisory	5 June 2024
	PETRONAS Board Conversation Series: COP28 Reflection	PETRONAS	11 June 2024
	PETRONAS Gas Berhad BAC & BSRC Training	PGB	12 July 2024
	Greenhouse Gas Management & Malaysia's Climate Change Agenda and Carbon Markets	PGB	10 September 2024
	MAICSA Annual Conference 2024 - Sustainability Today For Tomorrow	MAICSA	22 & 23 October 2024
	Guide to Related Party Transactions	MAICSA	8 November 2024
	Sustainability Deep Dive: Scope 3	PETRONAS	20 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Effectiveness Evaluation

The Board Effectiveness Evaluation (BEE) is conducted annually to assess the performance of the Board, its Committees, and individual Directors. Overseen by the NRC, this structured evaluation serves to identify strengths, areas for enhancement, and any gaps requiring attention to ensure continued effectiveness in governance and decision-making. The assessment focuses on the following key areas:

- 1 The overall performance of the Board and its Committees**
- 2 The individual contribution of each Director**
- 3 The independence of Independent Directors**

On 15 November 2024, the BEE framework was revised to strengthen the assessment criteria, with a particular focus on evaluating the Board's effectiveness in addressing the Company's material sustainability risks and opportunities.

Board and Board Committees Effectiveness Evaluation 2024

For 2024, the annual BEE was conducted internally, in alignment with the recommendations set out in the MCCG 2021. In accordance with Practice 6.1 of the MCCG 2021, which requires the Board to undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and the performance of each individual director is independently assessed. For Large Companies including PGB an external independent consultant is engaged every three years to facilitate objective and candid Board evaluations. However, for year 2024, the BEE was performed internally using a digital platform. The evaluation process encompassed comprehensive assessments of the Board, Board Committees, individual Directors, and peer reviews, along with self-assessments by each Board member. PGB Corporate Secretarial was responsible for compiling and presenting the results of the BEE.

On 21 February 2025, the Board was presented with a detailed report outlining the performance of the Board, its Committees, and the individual Directors, with further analysis and insights provided in the NRC Report. The NRC conducted a thorough review of the BEE 2024 outcomes, which highlighted the effectiveness, dedication, and talent of PGB's Board. The Board was recognised for its leadership under the Chairman, who is highly capable, and for its continued commitment to maintaining the highest standards of governance. The review also emphasised the strong support from Management, which contributed to the Board's ongoing effectiveness in fulfilling its duties and responsibilities.

Despite the positive evaluation, the BEE 2024 also identified areas for improvement. One of the key recommendations was to enhance the Board's capabilities in Sustainability/ESG, ensuring that the Board remains well-equipped to meet emerging challenges and continue its leadership in driving the Company's long-term strategic objectives. The Board is committed to addressing this area and implementing the necessary improvements in the coming year.

Directors' Remuneration

The remuneration framework for Directors at PGB is structured to align with the Company's strategic objectives, ensuring the ability to attract, motivate, and retain individuals with the requisite expertise and experience. The fee structure is designed in accordance with regulatory requirements while reflecting prevailing market practices and trends, offering a balanced and competitive remuneration package.

PGB has established a formal and transparent Directors' Remuneration Framework, comprising retainer fees, meeting allowances, and benefits in kind. In line with Section 230(1) of the Companies Act 2016, a resolution on the payment of Directors' fees from the 41st AGM until the next AGM was presented for shareholders' approval. The remuneration for NEDs will remain in effect until the next Board review, subject to approval by PGB's shareholders.

	Monthly fees	MEETING ALLOWANCE PER ATTENDANCE			
		Board	Board Audit Committee	Nomination and Remuneration Committee	Board Sustainability and Risk Committee
Chairman	RM24,000	RM3,500	RM3,500	RM3,500	RM3,500
Member	RM12,000	RM3,500	RM3,500	RM3,500	RM3,500

Note: Malaysian Resident INEDs are entitled to fuel allowance of RM6,000 per annum.

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The Company acknowledges a deviation from Guidance 7.2 of the MCCG 2021, as it does not currently propose separate resolutions for the approval of fees for each NED. While there are no immediate plans for changes in this approach, PGB may explore options to align with the intended outcome in the future.

For NINEDs who are employees of PETRONAS, Directors' fees and meeting allowances are remitted directly to PETRONAS. The Company also reimburses all relevant expenses incurred by Directors in the course of carrying out their duties. A detailed breakdown of Directors' remuneration is available in the Corporate Governance Report 2024, which can be accessed on the Company's corporate website at www.petronas.com/pgb.

The remuneration package for the Executive Director consists of both fixed and performance-linked components, with a variable portion tied to KPIs, including the overall performance of the Group. As the MD/CEO and Executive Director, Abdul Aziz Othman does not receive Directors' fees or meeting allowances. For the financial year, he was remunerated as MD/CEO of PGB with a total amount of RM2,088,624. A detailed breakdown of the MD/CEO and Executive Director's remuneration is available in the Corporate Governance Report 2024, which can be accessed on the Company's corporate website at www.petronas.com/pgb.

Senior Management's Remuneration

The Group's remuneration philosophy is designed to align with best practices, ensuring a structured approach to remuneration, retention, and rewards. This framework supports the attraction and retention of high-calibre talent while fostering long-term value creation. To maintain competitiveness, remuneration packages and incentives are regularly benchmarked against market-related surveys, ensuring they remain in line with industry standards and evolving market conditions.

PETRONAS REMUNERATION PHILOSOPHY AND GUIDING PRINCIPLES

Providing remuneration that nurtures a healthy and appreciated working environment in order to attract, retain and motivate talents to sustain a high-performance culture:

Adaptable Rewards: Rewards are aligned with business goals, and adaptable to changes in business outlook and strategy.

Equitable Rewards: Rewards are commensurate with accountabilities, competencies and performance of our talents.

Sustainable Rewards: Rewards are market-competitive and cater to diverse workforce needs while complying with relevant statutory requirements.

Remuneration for employees seconded from PETRONAS is benchmarked against industry standards to ensure competitiveness and market alignment. The remuneration package remains competitive against the benchmarked companies. Employee development, including training, succession planning, and performance appraisals, follows PETRONAS' Human Resources Policies and Strategies. The Board remains committed to appointing individuals with the relevant expertise and experience to management positions within PGB.

Structured in accordance with PETRONAS' Remuneration Philosophy and Guiding Principles, the remuneration framework is designed to support long-term talent retention and performance. Further details can be accessed on the Company's corporate website at www.petronas.com/pgb.

The Company acknowledges a deviation from Practice 8.2 of the MCCG 2021 regarding the disclosure of Senior Management's remuneration components, such as salary, bonus, benefits in kind, and other emoluments. In compliance with the Personal Data Protection Act (PDPA) 2010, PETRONAS Group, including its listed entities, does not publicly disclose the personal remuneration details of senior management personnel. At present, the Company has no alternative plans to meet this intended outcome.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board remains committed to providing a fair and comprehensive assessment of the Group's financial position and outlook through its financial disclosures. This includes quarterly financial results, annual financial statements, the Integrated Report, and other communications to shareholders, investors, and regulatory authorities, ensuring transparency and accountability.

The Statement of Responsibility by Directors, which outlines their duties in the preparation of the annual Audited Financial Statements, can be found on page 164 of this Integrated Report.

Related Party Transactions and Conflict of Interest Situations

The Company has implemented robust Policies and Procedures governing RPTs and COI situations, including RRPTs. These policies are designed to ensure that all transactions are conducted on an arm's length basis, in accordance with normal commercial terms, and without prejudice to the interests of minority shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board Audit Committee reviews all RPT and COI situations that arose, persist or may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts. As part of reinforcing internal control measures, the Company has implemented its Guidelines and Procedures on RPT and COI Situations (The Guidelines).

PG Further details on the Policies and Procedures relating to RPTs and COIs, including the Guidelines, as well as the Company's Risk Management framework and Internal Control procedures, can be found in the BAC section and the Statement on Risk Management and Internal Control (SORMIC) on pages 124 to 135 and 146 to 163, respectively, of this Integrated Report.

All RPTs, including RRPTs, undertaken by the Company or its subsidiaries are subject to review by the BAC.

PG A detailed list of transactions with related parties is disclosed on pages 230 to 233 of the Audited Financial Statements.

Risk Management and Internal Control

The Board is committed to maintaining and continuously assessing the effectiveness of the Group's risk management framework and internal control systems. These measures are designed to ensure a resilient governance structure that protects shareholders' investments and safeguards the assets of both the Company and the Group.

PG Further details on the Group's risk management approach and internal control mechanisms can be found in the Statement on Risk Management and Internal Control (SORMIC) on pages 146 to 163 of this Integrated Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATING EFFECTIVELY WITH STAKEHOLDERS AND INVESTORS

The Board is committed to maintaining effective communication with shareholders and stakeholders, including the broader public. To ensure timely and accurate dissemination of information on the Group's business activities and financial performance, the Company leverages multiple communication channels, including Bursa Malaysia announcements, updates on the corporate website, press releases, the Annual Report, and, where necessary, press conferences.

Institutional shareholders and analysts are engaged regularly through briefings conducted by the MD/CEO, Chief Financial Officer (CFO), and Head of Investor Relations. These quarterly sessions provide insights into the Group's financial performance and operational developments. Additionally, the minutes of the 41st AGM, along with a summary of questions and responses from the meeting, are accessible on the Company's website.

To enhance stakeholder engagement, the Company organises periodic visits to its facilities, offering first hand insight into its business operations.

The corporate website, www.petronas.com/pgb, is actively maintained with the latest corporate and business updates. Key announcements, including Bursa Malaysia disclosures, press statements, analyst briefings, and quarterly financial results, are readily available to promote transparency and accessibility.

Investors and stakeholders may submit inquiries or provide feedback via email at ir.petronasgas@petronas.com or by addressing correspondence to:

Suriyanti Nordin
Head of Investor Relations
Level 49 & 50, Tower 1
PETRONAS Twin Towers
50088 Kuala Lumpur
Malaysia

In addition, matters of concern to the Group from shareholders of other stakeholders can be addressed to the Senior Independent Director directly to the following address:

Farina Farikhullah Khan
Senior Independent Director
PETRONAS Gas Berhad
Level 67, Tower 1,
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Email address: farina.khan@petronas.com.my

PG The details of the Investor Relation activities during the year under review is presented on page 73 of this Integrated Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Annual General Meeting (AGM)

The AGM serves as the principal forum for engagement between the Board and shareholders, facilitating transparent discussions on the Group's performance and strategic direction. Shareholders received the AGM notice, agenda, and proxy forms at least 28 days in advance, allowing sufficient time for review and the appointment of proxies. Each ordinary business item within the AGM notice was accompanied by an explanatory statement outlining the implications of the proposed resolutions.

The 41st AGM, held on 23 April 2024, was conducted via livestream from the Kuala Lumpur Convention Centre, with the MD/CEO providing a detailed review of the Group's performance, key initiatives, and shareholder value creation. This was supported by visual and graphical presentations to enhance clarity and engagement during the session.

Ahead of the AGM, shareholders were encouraged to submit questions to allow the Board, LT, and external auditors adequate time to provide well-considered responses. The Chairman played an instrumental role in facilitating meaningful dialogue between shareholders, the Board, and senior management.

During the Question-and-Answer session, the Board responded to 14 live questions and addressed all pre-submitted queries. In total, 133 live questions and 22 pre-submitted questions were received. Any questions that remained unanswered during the session were addressed within three working days and published on the Company's website under the Investor Relations section. A record of all questions addressed during the AGM was also made available for shareholders' reference.

In compliance with Paragraph 8.29A of the MMLR of Bursa Malaysia, all resolutions at the AGM were voted on by poll. Boardroom Share Registrars Sdn. Bhd. was appointed as the Poll Administrator, while Scrutineer Solutions Sdn. Bhd. acted as the Independent Scrutineer for the e-Vote application. Shareholder participation was actively encouraged, with 2,568 shareholders and proxies logging in through the Remote Participation and Electronic Voting platform at the commencement of the meeting, representing 637,109,601 shares.

The minutes of the AGM are publicly available on the Company's corporate website at www.petronas.com/pgb.

INTEGRITY AND ETHICS

The Board is committed to fostering a corporate culture that prioritises ethical conduct, ensuring that integrity and accountability are embedded throughout the Group's operations. This commitment is supported by a comprehensive set of policies designed to uphold the highest standards of ethics and governance. In addition, PETRONAS has established the Group Integrity function, with the PETRONAS Group Chief Integrity Officer (CIO) overseeing integrity-related matters across the PETRONAS Group of Companies, including PGB.

Code of Conduct and Businesses Ethics

The Group upholds the PETRONAS Code of Conduct and Business Ethics (CoBE), which sets out the principles of discipline, professionalism, integrity, loyalty, and accountability essential to the Group's long-term success and sustainability. The CoBE provides clear policy statements defining the standards of behaviour and ethical conduct expected of all individuals within the organisation.

Compliance with the CoBE extends beyond employees and directors to include contractors, sub-contractors, consultants, agents, and other representatives performing work or services on behalf of the Group. This ensures that ethical standards are maintained across all business operations. The CoBE explicitly prohibits improper solicitation, bribery, and other corrupt practices, reinforcing the Group's zero-tolerance stance on unethical conduct.

The CoBE is publicly accessible and can be viewed on the Company's corporate website at www.petronas.com/pgb.

Anti-Bribery and Corruption Policy

PGB enforces a strict zero-tolerance policy on bribery and corruption through the adoption of the PETRONAS Anti-Bribery and Corruption (ABC) Policy. This policy sets out clear principles and provides comprehensive guidance to employees, directors, contractors, sub-contractors, consultants, agents, representatives, and all parties engaged in work or services for or on behalf of PGB.

The ABC Policy outlines measures for identifying and addressing improper solicitation, bribery, and other corrupt practices that may arise in business dealings. Its applicability extends across all individuals associated with PGB, ensuring adherence to ethical business practices and regulatory requirements.

Further details on the ABC Policy are available on the Company's corporate website at www.petronas.com/pgb.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Liability

The Company has implemented comprehensive measures to mitigate risks associated with corporate liability under Section 17A of the amended Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009). This provision imposes liability on companies for corrupt acts committed by employees or associates for the organisation's benefit unless sufficient preventive procedures can be demonstrated.

To strengthen compliance and promote ethical business conduct, the Company has introduced mandatory e-learning modules covering key legal and regulatory areas. These include Data Privacy, Third-Party Risk Management (TPRM), Sanctions, the Anti-Bribery and Corruption (ABC) Manual, and Competition Law. This structured training programme ensures that employees are well-informed of their responsibilities, fostering a culture of integrity while mitigating legal and regulatory risks.

Whistleblowing Policy

The Company has adopted the PETRONAS Whistleblowing Policy, providing a secure and transparent channel for employees and members of the public to report any instances of improper conduct. This policy reinforces the Group's commitment to integrity and accountability by ensuring that concerns can be raised in confidence and addressed appropriately.

Comprehensive details on the policy and procedural guidelines are available on the Company's corporate website at www.petronas.com/pgb. Reports of improper conduct can be submitted via email to whistle@petronas.com.

Trading on Insider Information

To ensure compliance with Chapter 14 of the MMLR of Bursa Malaysia, the Company Secretary issues a Notice of Closed Period to Directors and the Leadership Team on a quarterly basis. This notice provides guidance on the regulations governing share trading during both the "Closed Period" and the "Outside Closed Period".

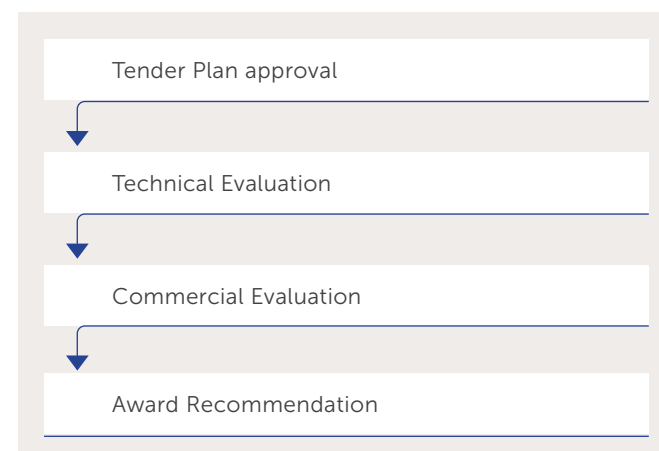
Directors and Principal Officers who have access to price-sensitive information are restricted from trading in the Company's shares during Closed Periods. Throughout the financial year under review, no trading activities were undertaken by the Board or Principal Officers of the Company.

Selection of Vendors

The Group follows the PETRONAS tendering process and principles as outlined in the PETRONAS Tenders & Contracts Administrative Manual, ensuring a structured and transparent approach to vendor selection. The evaluation of bids is primarily based on technical compliance and commercial competitiveness, ensuring that procurement decisions align with the Group's operational and financial objectives.

To uphold objectivity and adherence to established guidelines, dedicated Tender Committees have been established to independently assess and evaluate bidders' proposals. Recommendations for contract awards are only submitted to the approving authority after securing endorsement from the Tender Committee, reinforcing the integrity of the procurement process.

The tendering process comprises the following stages:



RELATIONSHIP WITH AUDITORS

External Auditors

The Company maintains a professional and transparent engagement with its external auditors, KPMG PLT, through the BAC. During the financial year, the BAC convened two meetings with the external auditors to review the scope and adequacy of the Group's audit process, assess financial results, examine the annual financial statements, and discuss key audit findings.

Additionally, the BAC held a separate session with the external auditors, without the presence of Management, to facilitate an open and independent exchange of views. In this session, the auditors highlighted key matters of relevance, providing valuable insights to both the BAC and the Board.

PG Further details on the BAC's oversight of the external auditors can be found in the BAC Report on pages 257 to 259 of this Integrated Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Internal Audit

The Internal Audit function at PGB operates with full independence and reports directly to the BAC. It has unrestricted access to the BAC, as well as to all functions and assets under its oversight, ensuring a robust and objective audit process.

Functioning separately from other business units, the Internal Audit team conducts regular assessments to evaluate the adequacy and effectiveness of internal controls while ensuring compliance with regulatory requirements. Findings from these audits, along with agreed recommendations, are presented to the BAC for review and further action as necessary.

PG Further details on the BAC's oversight of the Internal Audit function can be found in the Board Audit Committee Report on pages 142 to 153 of this Integrated Report.

Directors' Responsibility Statement

The Directors have provided assurance that the financial statements prepared for the financial year ended 31 December 2024 is a true and fair view of the state of affairs of the Company and the Group as required by the Companies Act 2016.

PG The Statement of Responsibility by Directors for the audited financial statements of the Company and Group is as outlined on page 183.

PG Details of the Company and the Group's financial statements for the financial year ended 31 December 2024 are set out on pages 183 to 274.

Statement by the Board on Compliance

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Group has fulfilled its obligations under the relevant paragraphs of the MMLR of Bursa Malaysia, CA 2016, MCCG 2021 and Corporate Governance Guide – 4th Edition issued by Bursa Malaysia Berhad in addition to being benchmarked against the ASEAN Corporate Governance Scorecard and other applicable laws and regulations throughout the year ended 31 December 2024.

The Board is also satisfied that the Company has adopted the practices and has applied the key Principles of the MCCG 2021 for the year under review. Details of how the Company has applied the MCCG Principles and complied with its Practices are set out in the CG Report. The explanation for the departures is further elaborated in the CG Report.

The Board will continue its efforts to raise the bar in terms of the Company's corporate governance standards and instils a culture that promotes ethical conduct, transparency and sustainable value creation, with the ultimate objective of realising long-term shareholder value while taking into account the interests of other stakeholders.

Additional Compliance Information - Material Contracts

There were no material contracts or loans entered into by the Company or its subsidiaries involving Directors' or major shareholders' interests, either still subsisting at the end of the year ended 31 December 2024 or entered into since the end of the previous period, except as disclosed in the Audited Financial Statements.

This Statement is made in accordance with a resolution of the Board of Directors dated 21 February 2025.

DATUK ADIF ZULKIFLI
Chairman

BOARD AUDIT COMMITTEE REPORT

BOARD AUDIT COMMITTEE REPORT



FARINA FARIKHULLAH KHAN
Chairman, Board Audit Committee

Dear Valued Shareholders,

The Board Audit Committee (BAC) of PETRONAS Gas Berhad (PGB or the Company) provides this report for the financial year ended 31 December 2024, outlining its key activities and responsibilities in ensuring effective oversight of financial reporting, internal controls, and risk management. This report has been prepared in accordance with Paragraph 15.15 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

TERMS OF REFERENCE

The BAC operates under a defined Terms of Reference (TOR), which outlines its scope of authority, duties & responsibilities, and governance framework. These guidelines ensure that the BAC functions in accordance with the MMLR of Bursa Malaysia and the principles set out in the Malaysian Code on Corporate Governance 2021 (MCCG 2021).

The TOR of the BAC is available to the public on the Company's corporate website at www.petronas.com/pgb.

COMPOSITION

The BAC is composed entirely of Independent Non-Executive Directors (INEDs), in full compliance with Paragraph 15.09(1)(b) of the MMLR of Bursa Malaysia and the MCCG 2021. The BAC is chaired by the Senior Independent Director, ensuring impartial oversight, and none of its members serve as alternate directors.

As at the date of this report, the composition of the BAC is as follows:

Chairman	
	FARINA FARIKHULLAH KHAN (Senior Independent Non-Executive Director)
Date of appointment: 21 November 2018 Tenure: 6 years 2 months	
Member	
	DATUK MARK VICTOR ROZARIO (Independent Non-Executive Director)
Date of appointment: 22 November 2021 Tenure: 3 years 2 months	
	SUJIT SINGH PARHAR S/O SUKHDEV SINGH (Independent Non-Executive Director)
Date of appointment: 27 March 2023 Tenure: 1 years 10 months	

The BAC is led by Farina Farikhullah Khan, a Fellow of the Institute of Chartered Accountants in Australia (FCA), and includes Datuk Mark Victor Rozario, a Fellow of the Institute of Chartered Accountants in England and Wales (FCA). Their expertise provides the BAC with a strong foundation in financial reporting, governance, and risk management.

With a membership that possesses in-depth knowledge of financial and regulatory matters, the BAC meets the requirements of Paragraph 15.09(c) (i) of the MMLR, which mandates that at least one member must be a qualified accountant.

Further details on the profiles of BAC members can be found on pages 86, 88 and 89 of this Integrated Report.

MEETINGS AND ATTENDANCE

The BAC meeting schedule for the financial year under review was established in November 2023 to allow members to plan their commitments effectively. The BAC convenes on a quarterly basis, with additional meetings held as required. Over the course of the year, the BAC met five times to fulfil its governance and oversight responsibilities.

Attendance records of BAC members are available on page 108 of this Integrated Report.

To ensure comprehensive deliberation on audit and financial matters, the BAC engaged with key stakeholders, including the Managing Director/Chief Executive Officer (MD/CEO), Chief Financial Officer (CFO), Head of Internal Audit Department (IAD), External Auditors, and relevant members of the Leadership Team (LT). These individuals provided insights and relevant information to support the BAC's discussions and decision-making. The Company Secretary acts as the secretary to BAC, ensuring meetings are well-coordinated and proceedings are documented.

During the year, the BAC reviewed and approved the internal audit plan presented by the Head of Internal Audit, while the External Auditors outlined their audit plan and findings related to statutory audits conducted on the Company and its subsidiaries. The BAC formally approved both internal and external audit plans in line with its TOR. Additionally, to facilitate independent discussions, the BAC held two private sessions with the External Auditors—on 19 February 2024 and 19 November 2024—without Management's presence.

To ensure well-informed decision-making, BAC members received meeting agendas and materials via a secured digital platform at least five days before each meeting. Key matters deliberated included the review of the Group's financial statements, quarterly financial results for Bursa Malaysia announcements, related party transactions and recurrent related party transactions, external and internal audit reports, and the status of open audit findings, along with the agreed corrective actions. The BAC also made recommendations to the Board regarding the approval of the Group's financial statements and quarterly results.

All discussions and resolutions from BAC meetings were recorded in minutes of each meeting, duly signed and maintained by the Secretary. These minutes were confirmed at the subsequent BAC meeting before being presented to the Board for notation.

ACTIVITIES OF THE BAC DURING THE FINANCIAL YEAR 2024

The Board holds ultimate responsibility for overseeing the Company's governance and operations, with the BAC playing a key role in providing regular updates on its activities. To ensure timely communication of critical issues, significant findings, and any irregularities, BAC meetings are scheduled ahead of Board meetings, allowing for a structured flow of information and effective decision-making at the Board level.

During the financial year under review, the BAC undertook the following activities in fulfilling its oversight responsibilities:

Financial Reporting

The BAC conducted a thorough review of the Company's financial disclosures to ensure compliance with applicable regulatory and reporting standards. Key activities included:

- Reviewing quarterly financial results announcements and recommending the same for the Board's approval prior to submission to Bursa Malaysia to ensure adherence to Malaysian Financial Reporting Standards (MFRS) issued by The Malaysian Accounting Standards Board (MASB), the MMLR, and other relevant regulatory obligations.
- Examining the annual and quarterly financial accounts of both the Company and the Group to assess financial performance and reporting accuracy.
- Reviewing the Audited Financial Statements (AFS) of the Company and the Group to confirm compliance with MFRS, International Financial Reporting Standards (IFRS), and the Companies Act 2016 (CA 2016) prior submission to the Board for the Board's consideration and approval.

Internal Control

Conducted a review of the internal control framework to assess its adequacy and effectiveness in safeguarding the Company's assets and ensuring compliance with regulatory requirements. Additionally, the BAC examined the transfer pricing process to ensure alignment with applicable tax regulations and international best practices.

Corporate Governance

The BAC reviewed the BAC Report and the Statement on Risk Management and Internal Control (SORMIC) for the financial year ended 31 December 2023. To ensure transparency and accuracy, these reviews were supported by an independent assessment conducted by KPMG PLT before being included in the Integrated Report 2023.

BOARD AUDIT COMMITTEE REPORT

Internal Audit

To ensure adherence to the International Professional Practices Framework (IPPF), the Institute of Internal Auditors (IIA), Bursa Malaysia regulations, and the MCCG 2021, the BAC undertook a range of oversight activities in 2024.

Key actions included:

- Endorsing the declaration on the Organisational Independence of the Internal Audit Activity by PETRONAS Gas Berhad Internal Audit (PGB IA) for the period from 1 January 2024 to 31 December 2024. This annual declaration ensures that the internal audit function operates independently in carrying out its responsibilities.
- Approving the PGB IA Balanced Scorecard for 2024.
- Evaluating PGB IA's ability to provide independent and objective assurance on governance, risk management, and internal control, ensuring alignment with recognised international standards.
- Reviewing and approving the risk-based Three-Year Rolling Strategic Audit Plan, the Three-Year Digital Initiative Plan, and the budget to ensure comprehensive audit coverage, adequate resources, and the necessary expertise for effective execution in 2025.
- Monitoring the progress of PGB IA deliverables through quarterly updates.
- Reviewing audit reports, recommendations, and action plans aimed at strengthening PETRONAS Gas Berhad's governance, risk, and control frameworks. The BAC also provided recommendations to enhance oversight mechanisms and reinforce Management's accountability for internal control, risk, and governance responsibilities.
- Tracking the implementation of agreed corrective actions, with quarterly updates provided to the BAC. Any extensions to deadlines for these actions require approval from the Head of PGB Internal Audit and are reported to the BAC accordingly.

Related Party Transaction and Conflict of Interest Situations

- Reviewed Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs) to ensure compliance with PGB's Guidelines and Procedures on RPTs and Conflict of Interest Situations. These reviews were conducted to confirm that all transactions were carried out on an arm's length basis and did not compromise the interests of minority shareholders.

- Reviewed and monitored the status of RPTs and RRPTs on a quarterly basis, ensuring transparency and adherence to regulatory and governance requirements.
- Reviewed and assessed the proposed mitigations for any conflict of interest (COI) or potential COI that may arise pursuant to appointment of new director.

External Audit

The BAC conducted a comprehensive review of audit strategies and the scope of the statutory audit for the Company's and Group's financial statements for the financial year ended 31 December 2024, as presented by the external auditors. The BAC also assessed the results of the statutory audit, including the audit report, to ensure accuracy and compliance with applicable financial reporting standards.

Additionally, the BAC reviewed and endorsed the proposed fees for the statutory audits, ensuring they were appropriate and aligned with industry benchmarks.

In accordance with the PETRONAS Framework on External Auditors, which has been adopted since 2019, the BAC carried out an annual assessment of the external auditors' performance, sustainability, and independence. This assessment was based on four key areas:

- Quality of the engagement team and services provided
- Adequacy of resources allocated to the audit
- Effectiveness of communication and interaction with the BAC
- Independence, objectivity, and professional scepticism

Following this assessment, the BAC was satisfied with the performance and independence of the external auditors. Feedback, including areas for potential improvement, was communicated to the auditors as part of the continuous improvement process.

The BAC also reviewed non-audit services provided by the external auditors, ensuring that their independence and objectivity were not compromised. This included monitoring the proportion of non-audit fees relative to total audit fees to safeguard the auditors' independence. In this regard, the external auditors provided assurance to the BAC, confirming their independence throughout the financial year under review.

BOARD AUDIT COMMITTEE REPORT

During the year, PGB engaged the external auditors for non-audit services. The total fees paid for audit and non-audit services were as follows:

Particulars	2024		2023	
	Group (RM'000)	Company (RM'000)	Group (RM'000)	Company (RM'000)
Total Statutory Audit fees	608	365	574	344
Total Non-audit Fees	88	13	12	12
• Independent Review of SORMIC	13	13	12	12
• Regulatory Reporting Statement Audit	75	-	-	-
Percentage of Non-audit Fees over Statutory Audit Fees	14.47%	3.56%	2.09%	3.49%

Reviewed the Audit Focus Areas identified by the external auditors for the financial year ended 31 December 2024:

No.	Audit Focus Area	FY2024 Audit Focus Area	
		Matters Considered	BAC Comments
1.	Capitalisation and componentisation of completed projects	The audit reviewed the capitalisation and componentisation exercise performed by the management and noted that the cost capitalised and assets classification are appropriate and consistent with the Group policy.	Concurred with the findings that Management had capitalised and componentised of the completed project accordingly.
2.	Revenue from utilities segment	The audit evaluated the design, implementation and operating effectiveness of controls related to revenue recognition and perform substantive testing on revenue recognised.	Concurred with the findings that revenue from utilities segment have been recognised appropriately.
3.	Management override of controls	The audit reviewed the risk of management override of controls, in particular, through the use of manual journal entries.	Concurred with the findings that the risk of the use of manual journal entries was appropriate.

EXTERNAL AUDIT

To safeguard the independence of the external auditors, the Audit Engagement Partner overseeing the Company's audit is limited to a maximum tenure of seven years, after which a mandatory rotation is enforced. Following their tenure, the partner must observe a minimum cooling-off period of five years before being eligible for reappointment.

In addition to regulatory requirements, the external auditors maintain their independence through an internal Independent Partner Review process, ensuring objectivity and compliance with professional standards. As part of this commitment, the external auditors provided written assurance to the BAC, confirming that they had remained independent throughout the audit engagement, in accordance with all applicable professional and regulatory requirements.

Annual Reporting

The BAC conducted a review of its report, the Corporate Governance Overview Statement, and the SORMIC for the financial year ended 31 December 2024. This review was undertaken to ensure that all disclosures were accurate, comprehensive, and in full compliance with applicable regulatory requirements and governance guidelines.

BOARD AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Internal Audit function at PGB plays a pivotal role in safeguarding the Group's value by providing independent, risk-based assurance and advisory services. Through a systematic and disciplined approach, the function evaluates and enhances the effectiveness of risk management, governance, and internal control processes. By delivering objective insights, Internal Audit supports the Board and Management in ensuring compliance, strengthening controls, and improving operational efficiency.

During the financial year under review, PGB IA undertook 24 audit engagements, including both planned and unplanned assignments. The unplanned assignments were initiated to address emerging risks identified during the year, demonstrating the function's agility in responding to evolving business challenges. These audits were conducted in line with a risk-based Three-Year Rolling Strategic Audit Plan, which was reviewed and approved by the BAC.

The independence of the Internal Audit function is a fundamental principle that ensures unbiased assessments. To uphold this independence, the Head of Internal Audit reports functionally to the BAC while maintaining an administrative reporting line to the MD/CEO. This structure allows Internal Audit to operate without undue influence from Management while ensuring that audit recommendations are implemented effectively. Each year, the Head of Internal Audit formally confirms the function's independent status, reinforcing its commitment to objective and impartial oversight.

The Internal Audit function in 2024 was under the leadership of Hardi Hazizie Abd Hamid, a highly experienced professional with a distinguished career spanning more than 24 years at PETRONAS. Holding a Bachelor's degree in Mechanical Engineering from Universiti Teknologi PETRONAS (UTP), he is a Certified Fraud Examiner (CFE) and a Certified Internal Control Integrated Framework (COSO) practitioner. His expertise spans multiple technical and governance-related domains, having previously held key roles in specialist maintenance, integrity assurance, reliability engineering, and internal audit.

His extensive experience has been instrumental in strengthening the Internal Audit function's ability to conduct complex risk-based audit engagements, ensuring robust governance, risk management, and internal controls across PGB. His leadership has enhanced the function's effectiveness in identifying emerging risks, optimising operational efficiencies, and providing valuable insights to both the BAC and management.

The Internal Audit function operates under a structured governance framework, ensuring a high level of accountability and compliance. The PGB Internal Audit Charter, which is approved by the BAC, defines the function's purpose, authority, and responsibilities within the Group. The audit approach is aligned with globally recognised frameworks, including the IPPF and COSO principles, covering risk assessment, control activities, information management, and monitoring processes. Additionally, the function adheres to established internal procedures and guidelines to maintain consistency in audit execution and ensure compliance with regulatory requirements. To preserve objectivity, internal auditors are not assigned to engagements that could create conflicts of interest, thereby reinforcing the integrity of audit outcomes.

To ensure audit priorities remain aligned with the Group's strategic direction and key risks, PGB IA employs a risk-based approach in formulating its audit plan. The audit plan incorporates inputs from multiple sources, including the Group's risk profile, business strategy, emerging risks, operational materiality, prior audit findings, and feedback from both the BAC and Management. This comprehensive methodology enables Internal Audit to focus on areas of greatest significance and impact.

Throughout the year, PGB IA executed a diverse range of audit engagements, covering key operational, financial, and compliance areas:

- Audit on Overall Operations and Maintenance Activities of PGB assets
- Audit on Overall Governance & Management of departments within PGB
- Audit on Project Development and Execution covering growth, infrastructure upgrade and digital projects
- Audit on Adherence to Bursa Malaysia's Listing Requirements
- Special Reviews and Investigations including analytical assessments on selected key operational areas

Following each audit, findings and recommendations were thoroughly deliberated with Management before being presented to the BAC. To ensure accountability, corrective actions were agreed upon and closely monitored on a quarterly basis. Any requests for deadline extensions had to be justified by the relevant business unit and approved by the Head of Internal Audit before being reported to the BAC.

As part of its continuous improvement efforts, the Internal Audit function implements a Quality Assurance and Improvement Programme (QAIP) to evaluate and enhance the effectiveness

of audit processes. The QAIP encompasses ongoing and periodic assessments, covering the full spectrum of Internal Audit activities. External assessments have been conducted in 2024 by the Institute of Internal Auditors Malaysia (IIAM). PGB Internal Audit has received a "Generally Conform" rating based on the IPPF. This confirms PGB Internal Audit's progress towards maturity, with support from BAC and senior management.

For demonstration of competency and professional due care, PGB IA is staffed by seventeen (17) individuals from diverse work experiences, competencies and qualification amongst others are Accounting & Finance, Operations & Maintenance, Information Technology & Digital and other related enablers functions. PGB IA was also supported by Technical Professional, Subject Matter experts and resources from PETRONAS Group, specifically on project management and technical related areas. Advisories were also sought from PETRONAS Group Internal Audit Line Experts.

In addition, to enhance the auditors' competencies and their continued professional development, PGB IA support education programme that enable its personnel to pursue their career in relevant internal audit certifications such as Certified Internal Auditors (CIA), Certified Fraud Examiner (CFE) and Certified Integrated COSO framework.

To date, sixteen (16) of PGB IA personnel are equipped with relevant certifications either from accounting professional bodies, Institute of Internal Auditors, Certified Fraud Examiner and COSO. During the year, one (1) internal auditor has acquired CISA, four (4) internal auditors have acquired COSO, and two (2) internal auditors have acquired CFE.

To further enhance competencies, internal auditors participate in structured training programmes offered by the Institute of Internal Auditors and PETRONAS Functional Skill Group 04 (FS04). The FS04 programme aligns with the Internal Audit Competency Framework and provides auditors with specialised training in audit methodologies, risk management, and governance practices. New internal auditors are also provided with on-the-job training within the PETRONAS Internal Audit network, ensuring that they gain practical experience and exposure to industry best practices.

Auditors undergo annual Superior Managed Assessments (SMA) to evaluate their strengths and areas for development. Based on these assessments, Personal Development Plans (PDPs) are prepared for each auditor, outlining targeted training and career progression opportunities.

The total cost incurred for the Internal Audit function for the financial year was RM4.7 million.

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST SITUATIONS

Throughout the financial year, the BAC maintained oversight of all RPTs, RRPTs, and COI situations in accordance with the Guideline and Procedures on RPTs and COI (the Guideline). This Guideline establishes the principles and procedures governing such transactions across the PGB Group, ensuring compliance with the MMLR of Bursa Malaysia, as well as other relevant laws and regulations.

Following the amendments to MMLR regarding enhanced COI disclosures, the BAC's scope of review has been broadened to include COI situations that have arose, are persisting, in addition to those that may arise in the Company and the Group including any transaction, procedure or course of conduct that raises questions of Management's integrity. The review encompasses measures taken to resolve, eliminate or mitigate the COI. The COI review shall include the Board of Directors and Key Management of the Group.

During the year, the BAC conducted a comprehensive review and assessment regarding a potential COI situation related to the proposed appointment of a new Non-Independent Non-Executive Chairman on the Board of PGB. The BAC evaluated and agreed upon recommended measures to mitigate any potential COI that may arise in view of his current role and directorships within PETRONAS Group. The BAC satisfied that the recommended measures effectively addressed the COI.

On 17 February 2025, the BAC has reviewed the annual declaration of interest or potential of COI of the Directors (including director for re-election) of the Company and Key Senior Management. There were no COI or potential COI, including the interest in any competing business with the Company being declared by the Independent Directors of the Company and Key Senior Management for the financial year ended 31 December 2024. In respect of Non-Independent Directors, the BAC satisfied with the recommended measures to mitigate any potential COI that may arise in view of their current role and directorships within PETRONAS Group as disclosed in their respective profile.

The BAC conducted regular reviews of all RPTs and RRPTs to ensure that they were undertaken in the best interests of the Group, on fair and reasonable terms and conditions, and in line with normal commercial practices and transacted at arm's length, before making recommendation to the Board for approval. The procedures outlined in the Guideline provided a structured approach for the identification, monitoring, and tracking of RPTs and RRPTs, ensuring that these transactions were executed transparently and did not compromise the

BOARD AUDIT COMMITTEE REPORT

interests of minority shareholders. The BAC also assessed RPTs as they arose within the Group, ensuring adherence to the established processes and maintaining compliance with regulatory requirements. Recommendations from Management were considered for continuous refinement and enhancement of the procedures and processes, reinforcing governance practices within the Group.

As part of the broader PETRONAS Group integrated oil and gas value chain, PGB operates within a business environment that necessitates intercompany transactions with PETRONAS and its subsidiaries. Given this interconnectivity, PGB has been granted exemptions and waivers from the requirements of Paragraphs 10.08 and 10.09 of the MMLR, including the obligation to seek shareholder approval for specific transactions relating to the supply, sale, purchase, provision, and usage of certain goods, services, and facilities. These exemptions and waivers are critical in preventing operational disruptions and ensuring the seamless continuation of PGB's business activities within the integrated energy ecosystem of PETRONAS.

The BAC remains satisfied that the Guideline and established processes are adequate in safeguarding the Group's interests, upholding regulatory compliance, and ensuring that all transactions are conducted at arm's length and in a manner that aligns with the Company's governance principles. The BAC will continue to oversee and review these processes as necessary to uphold the integrity and transparency of the Group's financial and operational dealings.

RRPTs that were waived by Bursa Malaysia from complying with the requirement of Paragraph 10.09 of the MMLR are as follows:

DATE OF BURSA MALAYSIA WAIVER APPROVAL	TRANSACTIONING PARTIES	RELATIONSHIP	NATURE OF TRANSACTIONS	VALUE OF TRANSACTIONS IN 2024 (RM'000)
26 March 2014	PGB and PETRONAS	• PETRONAS is a major shareholder of PGB holding 51%	Gas Processing Agreement (GPA)	Gas Processing Services: RM1,865,983
23 May 2014	Regas Terminal (Sg. Udang) Sdn. Bhd. (RGTSU) and Gas Asia Terminal (L) Pte. Ltd. (GATL)	• RGTSU is a wholly owned subsidiary of PGB • GATL is a wholly owned subsidiary of MISC Berhad (MISC), and PETRONAS is a major shareholder of MISC holding 51%	Ancillary Agreement for Regasification Service (ACRS) For Time Charter Services for Floating Storage Unit	Time Charter Services for Floating Storage Unit: RM123,058
	RGTSU and Sg. Udang Port Sdn. Bhd. (SUP)	• RGTSU is a wholly owned subsidiary of PGB • SUP is a wholly owned subsidiary of MISC Maritime Services Sdn. Bhd., a wholly owned subsidiary of MISC and PETRONAS is a major shareholder of MISC holding 51%	ACRS Marine Services Agreement	Marine Services: RM6,767
	RGTSU and PETRONAS Penapisan Melaka Sdn. Bhd. (PPM)	• RGTSU is a wholly owned subsidiary of PGB • PPM is a wholly owned subsidiary of PETRONAS	ACRSL Land Lease Agreement	Land Lease for Pipeline Route and Office Building: RM87
27 October 2015	Pengerang LNG (Two) Sdn. Bhd. (PLNG2) and Pengerang Power Sdn. Bhd.	• PLNG2 is a subsidiary of PGB holding 65% • Pengerang Power Sdn. Bhd. is a wholly owned subsidiary to PRPC Utilities and Facilities Sdn. Bhd.	Ancillary Agreements for RGT Pengerang Project	Purchase of Electricity: RM37,544

BOARD AUDIT COMMITTEE REPORT

DATE OF BURSA MALAYSIA WAIVER APPROVAL	TRANSACTIONING PARTIES	RELATIONSHIP	NATURE OF TRANSACTIONS	VALUE OF TRANSACTIONS IN 2024 (RM'000)
23 October 2020	PGB, RGTSU and PLNG2 with PETRONAS Energy & Gas Trading Sdn. Bhd. (PEGT)	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% RGTSU is a wholly owned subsidiary of PGB PLNG2 is a subsidiary of PGB holding 65% PEGT is a wholly owned subsidiary of PETRONAS 	Master Sale And Purchase Agreement (MSPA) for Purchase of Internal Gas Consumption	Purchase of Gas for Internal Consumption By PGB, RGTSU and PLNG2 from PEGT: RM181,007
	PGB with PEGT	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PEGT is a wholly owned subsidiary of PETRONAS 	Gas Supply Agreement (GSA) for Purchase of Fuel Gas	Purchase of Fuel Gas: RM1,468,671
11 October 2021	PGB with PETRONAS Chemicals Derivatives Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Chemicals Derivatives Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM788,058
	PGB with PETRONAS Chemicals Ammonia Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Chemicals Ammonia Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM264,667
			Compressed Air Sharing Agreement	Compressed Air Facilities Services Income: RM618
			Fire Water Services Agreement (FWSA)	Fire and Water Services: RM60
	PGB with BASF PETRONAS Chemicals Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% BASF PETRONAS Chemicals Sdn. Bhd. is an associate company of PETRONAS Chemicals Group Berhad holding 40% 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM175,517
	PGB with PETRONAS Chemicals LDPE Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Chemicals LDPE Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM136,645

BOARD AUDIT COMMITTEE REPORT

DATE OF BURSA MALAYSIA WAIVER APPROVAL	TRANSACTIONING PARTIES	RELATIONSHIP	NATURE OF TRANSACTIONS	VALUE OF TRANSACTIONS IN 2024 (RM'000)
11 October 2021	PGB with PETRONAS Chemicals Aromatics Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Chemicals Aromatics Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM84,671
	PGB with Ineos PCG Acetyls Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% Ineos PCG Acetyls Sdn. Bhd. is a joint venture company of PETRONAS Chemicals Group Berhad holding 30% 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM47,363
			Fire Water Services Agreement (FWSA)	Fire and Water Services: RM64
	PGB with PETRONAS Chemicals Ethylene Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Chemicals Ethylene Sdn. Bhd. is a subsidiary of PETRONAS Chemicals Group Berhad holding 87.5% 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM17,607
			Sell and Deliver Utilities Consumption Agreement	KSMF Utilities Consumption: RM80
	RGTSU with PEGT	<ul style="list-style-type: none"> RGTSU is a wholly owned subsidiary of PGB PEGT is a wholly owned subsidiary of PETRONAS 	Supply of Utilities Agreement	LNG Bunkering Income: RM8,150
	PLNG2 with PEGT	<ul style="list-style-type: none"> PLNG2 is a subsidiary of PGB holding 65% PEGT is a wholly owned subsidiary of PETRONAS 	LNG Truck Loading Facilities	LNG Trucking and Reloading Income: RM12,656
	PGB with PETCO Trading Labuan Company Ltd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETCO Trading Labuan Company Ltd. is a wholly owned subsidiary of PETRONAS Trading Corporation Sdn. Bhd. 	Importation And Exportation Agreement	LPG Import and Export Service Fees: RM6,543
			Manpower, Routine Maintenance, Utilities Cost Recovery and Rental Facilities	Marine Facilities Income: RM2,494
	PGB with Kertih Terminals Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% Kertih Terminals Sdn. Bhd. is a joint venture company of PETRONAS Chemicals Group Berhad holding 40% 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM8,249
Right of Use of Warehouse			Warehouse Rental: RM2,356	
PLNG2 with PETRONAS LNG Ltd.	<ul style="list-style-type: none"> PLNG2 is a subsidiary of PGB holding 65% PETRONAS LNG Ltd. is a wholly owned subsidiary of PETRONAS LNG Sdn. Bhd. 	Master Gas Up Cool Down Services Agreement	Gassing Up Cooling Down Income: RM4,082	

BOARD AUDIT COMMITTEE REPORT

DATE OF BURSA MALAYSIA WAIVER APPROVAL	TRANSACTIONING PARTIES	RELATIONSHIP	NATURE OF TRANSACTIONS	VALUE OF TRANSACTIONS IN 2024 (RM'000)
11 October 2021	PGB with Voltage Renewables Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% Voltage Renewables Sdn. Bhd. is a subsidiary of Gentari Renewables Sdn. Bhd. holding 70% 	Sales and Purchase Agreement for the Supply of Electricity	Sale of Industrial Utilities: RM358
	PGB with PETRONAS Carigali Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Carigali Sdn. Bhd. is a wholly owned subsidiary of PETRONAS 	Land Management Service Agreement (MSA) for Sabah Oil and Gas Terminal, Sabah Sarawak Gas Pipeline, Dalak Pipeline, Sabah Gas Terminal and Labuan Gas Terminals	Project Management Fees and Operations and Maintenance Income: RM201
			Fire Water Services Agreement (FWSA)	Fire and Water Services: RM110
	PGB with PETRONAS Chemicals MTBE Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Chemicals MTBE Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Sales and Purchase Agreement for the Supply of Electricity and Utilities	Sale of Industrial Utilities: RM238,286
			Right of Use of Equipment	Rental of Equipment: RM207
	PGB with PETRONAS Chemicals Marketing (Labuan) Ltd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Chemicals Marketing (Labuan) Ltd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Sales and Purchase Agreement (SPA) to Supply Excess Hydrogen Gas to Utilities Gebeng (UG) Plant	Purchase of Hydrogen: RM5,138
	PGB and RGTSU with PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% RGTSU is a wholly owned subsidiary of PGB PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Dagangan Berhad 	Purchase of Petroleum Products for Operation	Purchase of Petroleum Products: RM4,853
			Land Lease Agreement	Lease of Land: RM1,060
	PGB and PLNG2 with PETRONAS Hartabina Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PLNG2 is a subsidiary of PGB holding 65% PETRONAS Hartabina Sdn. Bhd. is a wholly owned subsidiary of PETRONAS 		

BOARD AUDIT COMMITTEE REPORT

BOARD AUDIT COMMITTEE REPORT

DATE OF BURSA MALAYSIA WAIVER APPROVAL	TRANSACTIONING PARTIES	RELATIONSHIP	NATURE OF TRANSACTIONS	VALUE OF TRANSACTIONS IN 2024 (RM'000)
11 October 2021	PGB and PETRONAS	<ul style="list-style-type: none"> PETRONAS is a major shareholder of PGB holding 51% 	Land Lease Agreement	Lease of Land: RM81
	PLNG2 with Pengerang Terminals (Two) Sdn. Bhd.	<ul style="list-style-type: none"> PLNG2 is a subsidiary of PGB holding 65% Pengerang Terminals (Two) Sdn. Bhd. is a joint venture company of PETRONAS Refinery & Petrochemical Corporation Sdn. Bhd. (PRPC) holding 40% 	Jetty Usage Agreement	Jetty Usage Service: RM88,301
	RGTSU with SUP	<ul style="list-style-type: none"> RGTSU is a wholly owned subsidiary of PGB SUP is a wholly owned subsidiary of MISC Maritime Services Sdn. Bhd., a wholly owned subsidiary of MISC and PETRONAS is a major shareholder of MISC holding 51% 	Tugboat Services Agreement	Tugboat Services: RM49
	PGB with Kertih Port Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% Kertih Port Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Land Lease Agreement	Lease of Land and Usage Facilities: RM114
	PGB with PCG PCC Oxyalkylates Sdn. Bhd.	<ul style="list-style-type: none"> PCG PCC Oxyalkylates Sdn. Bhd. is a joint venture of PETRONAS Chemicals Group Berhad holding 50% 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM15,379
	PGB with Vinyl Chloride (Malaysia) Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% Vinyl Chloride (Malaysia) Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad 	Supply of Utilities Agreement	Sale of Industrial Utilities: RM3,322
	PGB with PEGT	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PEGT is a wholly owned subsidiary of PETRONAS 	Pipeline Project Service Agreement	Operation and Maintenance Income: RM4,117
	PGB with PETRONAS Technical Services Sdn. Bhd. (PTSSB)	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PTSSB is a wholly owned subsidiary of PETRONAS 	Right of Use of Building	Rental of Office Space: RM206
	PGB with PETRONAS Management Training Sdn. Bhd.	<ul style="list-style-type: none"> PGB is owned by PETRONAS of 51% PETRONAS Management Training Sdn. Bhd. is a wholly owned subsidiary of PETRONAS 	Right of Use of Building	Rental of Meeting Room: RM139

The BAC is satisfied that during the year under review, all the RPTs/RRPTs were fairly concluded on prevailing market rate/prices, had been carried out at arm's length basis and normal commercial terms/conditions, applicable industry norms and not detrimental to the interests of PGB and its minority shareholders. The RPTs/RRPTs were reported to the BAC on a quarterly basis.

BAC EFFECTIVENESS REVIEW AND PERFORMANCE

As part of its commitment to strong governance, the Board conducted an annual assessment of the BAC as part of the Board Effectiveness Evaluation for the financial year under review. This evaluation provided an independent review of the BAC's performance, ensuring it continues to function effectively in providing oversight on financial reporting, audit processes, and internal controls.

The Board concluded that the BAC remains a key pillar in supporting the Board's deliberations on financial and audit matters, enhancing the overall decision-making process for both the Company and the Group. The BAC's contributions in ensuring transparency, compliance with financial regulations, and the robustness of risk management and internal control frameworks were acknowledged as instrumental in maintaining the integrity of PGB's financial governance.

Following this assessment, the Board confirmed that the BAC has fully discharged its responsibilities in line with its Terms of Reference. The BAC's diligence in overseeing audit and financial reporting matters, coupled with its proactive engagement with both internal and external auditors, continues to reinforce the Group's commitment to best practices in corporate governance. Moving forward, the Board will continue to monitor and support the BAC in further strengthening its role in safeguarding shareholder value and ensuring the Company operates with accountability and transparency.

REPORTING TO THE EXCHANGE

For the financial year under review, the BAC has assessed the Company's adherence to the MMLR of Bursa Malaysia. Based on this assessment, the BAC is satisfied that the Company has maintained full compliance with the applicable regulatory provisions. As a result, no additional reporting to Bursa Malaysia under Paragraph 15.16 of the MMLR is deemed necessary.

FARINA FARIKHULLAH KHAN

Chairman
Board Audit Committee

NOMINATION AND REMUNERATION COMMITTEE REPORT

NOMINATION AND REMUNERATION COMMITTEE REPORT



DATUK MARK VICTOR ROZARIO
Chairman, Nomination and Remuneration Committee

Dear Valued Shareholders,

The Nomination and Remuneration Committee (NRC) of PETRONAS Gas Berhad (PGB or the Company) is pleased to provide its report for the financial year ended 31 December 2024. This report outlines the NRC's key activities and initiatives undertaken during the year in ensuring that the Board and senior management maintain the highest levels of effectiveness, governance, and leadership quality.

This report is prepared in compliance with Paragraph 15.08A(3) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), reflecting PGB's commitment to upholding best practices in corporate governance and transparency.

TERMS OF REFERENCE

The NRC functions within a structured framework established under its Terms of Reference (TOR), ensuring alignment with the governance principles set out in the MMLR of Bursa Malaysia and the Malaysian Code on Corporate Governance 2021 (MCCG 2021).

The TOR defines the NRC's authority, duties, and responsibilities, enabling the NRC to provide effective oversight of Board composition, succession planning, and remuneration policies. Regular reviews of the TOR are conducted to ensure its continued relevance in meeting evolving regulatory standards and corporate governance best practices.

The TOR is publicly available on the Company's corporate website at www.petronas.com/pgb.

COMPOSITION

The NRC is composed entirely of Independent Non-Executive Directors (INEDs), ensuring an objective and independent approach in the NRC's oversight responsibilities. This composition complies with Paragraph 15.08A(1) of the MMLR of Bursa Malaysia, which mandates that the NRC must consist exclusively of Non-Executive Directors, with a majority being Independent Directors.

Further reinforcing the principles of good governance, the NRC is chaired by an Independent Director, in accordance with Practice 5.8 of the MCCG 2021. This leadership structure enhances the NRC's ability to provide impartial oversight in matters relating to Board composition, succession planning, and remuneration, ensuring alignment with the Company's long-term strategic objectives and stakeholder expectations.

As at the date of the Integrated Report 2024 (IR 2024), the composition of the NRC is as follows:

Chairman	
	DATUK MARK VICTOR ROZARIO (Independent Non-Executive Director)
Date of appointment: 27 March 2023 Tenure: 1 years 11 months	
Member	
	FARINA FARIKHULLAH KHAN (Senior Independent Non-Executive Director)
Date of appointment: 19 November 2020 Tenure: 4 years 3 months	
	DATUK YEOW KIAN CHAI (Independent Non-Executive Director)
Date of appointment: 3 August 2020 Tenure: 4 years 7 months	

The profiles of the NRC members are disclosed on pages 86 to 88 of this Integrated Report 2024.

ROLE AND PHILOSOPHY

The NRC was established to strengthen the governance framework of the Company, ensuring a structured, transparent, and effective process for Board appointments and succession planning. The NRC is responsible for regularly assessing the structure, size, and composition of the Board, ensuring an optimal balance between Executive, Non-Executive, and Independent Directors. The NRC plays a key role in identifying and recommending suitable candidates for Board appointments, whether through direct nomination by the Board or shareholder approval. It also oversees the continuous professional development of Directors, ensuring they receive appropriate training to discharge their duties effectively.

MEETINGS AND ATTENDANCE

To ensure effective planning and seamless execution of its responsibilities, the NRC pre-scheduled its meetings for the year under review in November 2023, allowing members to integrate them into their respective schedules. The NRC convenes three times a year, with additional meetings arranged as required. In fulfilling its duties, the NRC held a total of four meetings during the financial year.

Attendance records for NRC members are detailed on page 108 of this Integrated Report 2024.

The Managing Director/Chief Executive Officer (MD/CEO), Head of Human Resources Management Division, and other individuals deemed necessary by the NRC were invited to attend meetings to provide insights and relevant information. The Company Secretary served as Secretary to the NRC, ensuring procedural compliance and efficient documentation of discussions.

Meeting agendas and supporting papers were distributed to NRC members at least five days in advance, allowing sufficient time for review and informed deliberation. All proceedings were formally recorded, with minutes duly signed and maintained by the Secretary. These minutes were subsequently tabled for confirmation at the next NRC meeting before being presented to the Board for notation.

FUNCTIONS OF THE NRC AND RELATED ACTIVITIES IN FY2024

Board Succession Plan

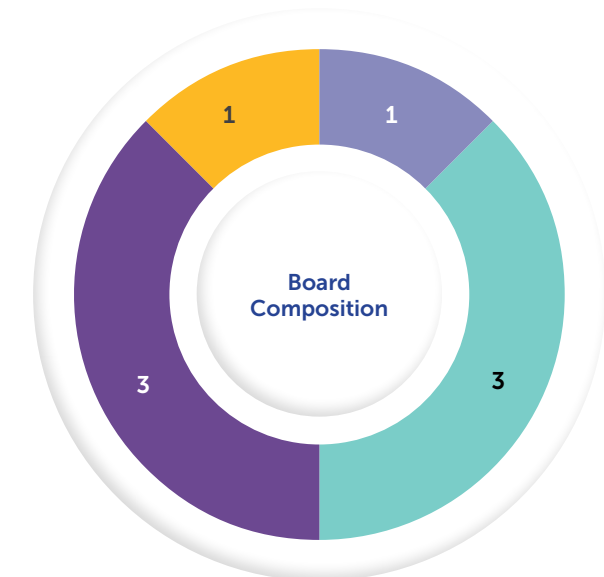
The Board has implemented a structured succession planning framework to ensure the timely identification and selection of INEDs in the event of Board vacancies. These vacancies may arise due to anticipated retirements or the expansion of the Board's composition. Throughout the financial year under review, the NRC continued to support the Board in its succession planning efforts, ensuring that the mix of skills, experience, and expertise remains aligned with the PETRONAS Group's strategic direction. The NRC also reviewed the tenure

of INEDs to uphold governance best practices and regulatory compliance.

The selection of INED candidates was conducted through a rigorous assessment process, ensuring that nominees possessed the relevant qualifications, skills, and industry experience required for their appointment to the PGB Board. In identifying and evaluating suitable candidates, the NRC adhered to the Board Succession Planning Framework, which is outlined in the Board Appointment Process and the Directors' Fit and Proper Policy.

The Board consists of eight members, comprising one Executive Director, who serves as the MD/CEO, and seven Non-Executive Directors (NEDs). This structure ensures a balanced composition, fostering independent oversight, strategic leadership, and sound governance.

As at the date of this report, the Board composition is as follows:



■ Senior Independent Director
■ Independent Non-Executive Director
■ Non-Independent Non-Executive Director (including Chairman)
■ Executive Director

The Board complies with Paragraph 15.02 of the MMLR of Bursa Malaysia, having more than one-third of its members comprising INEDs. The Board also acknowledges Practice 5.2 of the MCCG 2021, which recommending a majority of INEDs for large companies. Currently, the Board composition of PGB maintains a 50:50 ratio of INEDs to NINEDs. This balance takes into account the need to provide exposure and training opportunities for the PETRONAS Group's management team.

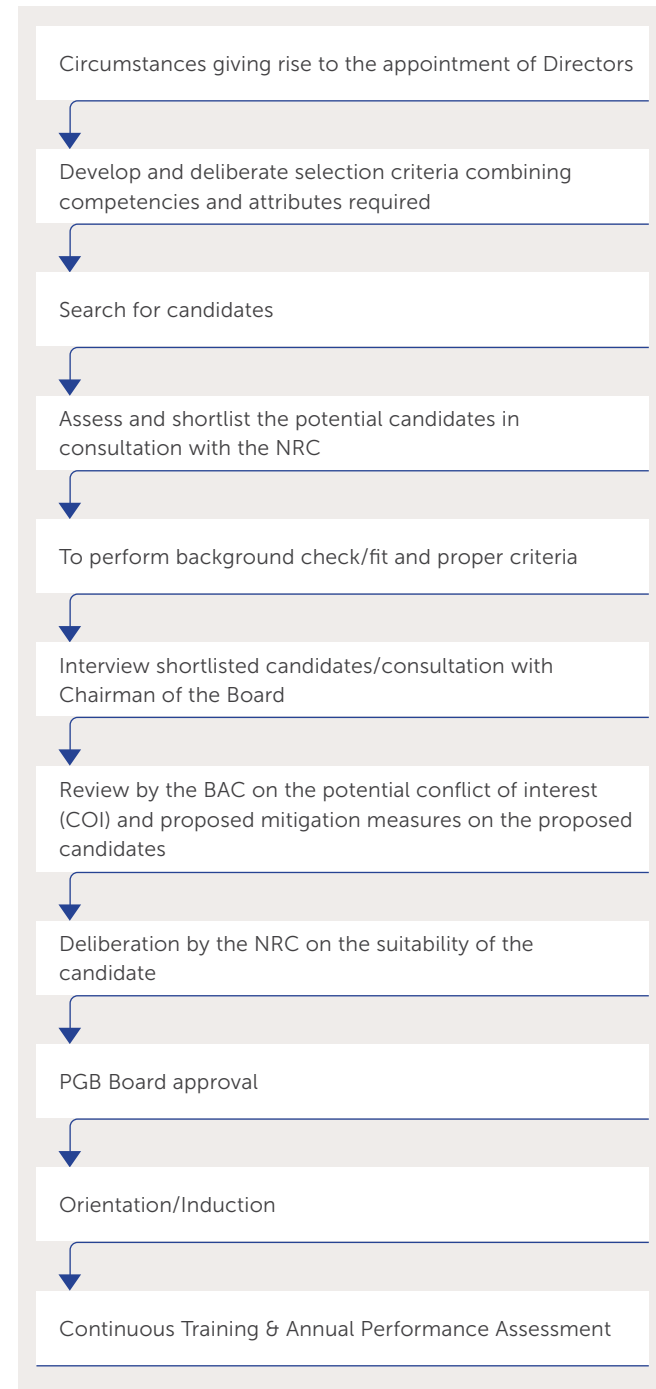
NOMINATION AND REMUNERATION COMMITTEE REPORT

Having a diverse group of directors, including those from the PETRONAS Group, serves as a valuable platform for nurturing future leaders with the organisation, particularly for PGB, a listed entity.

During the financial year under review, changes were made to the PGB Board and its committees, including the following key developments:

- Appointment of Datuk Adif bin Zulkifli as Chairman and Non-Independent Non-Executive Director, effective 20 August 2024. Following a comprehensive assessment and a self-declaration process, the NRC determined that there were no adverse findings or material concerns regarding Datuk Adif's appointment. He met all requirements under the PGB Directors' Fit and Proper Policy. In addition, the NRC noted the review conducted by the BAC on 13 August 2024, which evaluated potential conflict of interest (COI) considerations and proposed mitigation measures. The NRC took note that the BAC was satisfied with the adequacy and effectiveness of these mitigations.
- Resignation of Adnan bin Zainol Abidin as Chairman and Non-Independent Non-Executive Director, effective 20 August 2024. The Board extended its appreciation to Adnan bin Zainol Abidin for his contributions during his tenure and acknowledged his role in advancing the PETRONAS Group's governance agenda.
- Furthermore, in line with directives from the Ministry of Finance Incorporated (MOF Inc.), a new policy regarding the maximum age limit for Board members and Chief Executive Directors in MOF Inc.-linked companies was introduced. As outlined in MOF Inc.'s letter dated 6 March 2024, the age limit for new appointments and service tenure extensions has been set at 75 years old. This policy aims to attract and retain senior leadership talent, leveraging their experience, strategic insight, and problem-solving capabilities to drive business objectives.
- Retirement of Datuk Yeow Kian Chai at the 42nd Annual General Meeting (AGM). In view of this new policy, and as Datuk Yeow Kian Chai will reach the age of 75 on 1 March 2025, the NRC agreed that he would retire at the 42nd AGM in accordance with Article 107 of the Company's Constitution and would not seek re-election. Datuk Yeow will continue to serve on the Board until the conclusion of the AGM.

The process flow for appointment of a Director is as follows:



Senior Management Succession Plan

Beyond succession planning for the Board, the NRC is also responsible for overseeing the development of a structured succession plan for the MD/CEO and Senior Management. This ensures leadership continuity and the availability of a strong talent pipeline to support the PGB Group's long-term strategic objectives.

NOMINATION AND REMUNERATION COMMITTEE REPORT

During the financial year under review, the NRC continued to assess and review the composition of Senior Management to ensure the right capabilities are in place to drive the Company forward. As part of this process, Wan Khairul Nizam bin Wan Kassim was appointed as the new Head of Business Development and Commercial (BD&C), effective 1 June 2024, replacing Hisham bin Maaulot.

The NRC remains focused on ensuring that a sufficient pool of internal candidates is available for senior leadership roles, with a particular emphasis on identifying and developing high-potential individuals for future leadership positions. In instances where suitable internal successors are unavailable, the NRC advocates for external recruitment to bring in top-tier talent for critical roles.

The NRC also continues to highlight to the Board the importance of strengthening the internal talent pipeline, effective human capital planning, and proactive talent management. These elements are recognised as essential in ensuring that the Company attracts, develops, and retains the best talent to secure its long-term success and sustain its competitive edge in an evolving business.

Directors' Re-Election

As part of its commitment to sound corporate governance, the NRC conducted a comprehensive review of the Directors' retirement rotation list, ensuring adherence to regulatory and governance requirements. Following a structured assessment process, the NRC endorsed the list before submitting it to the Board for consideration and, subsequently, to shareholders for approval at the AGM.

The recommendation for re-election is determined through a stringent evaluation process that includes an annual performance review, an assessment of independence where applicable, and an evaluation against the fit and proper criteria. The NRC carefully considers these factors before making any recommendations to the Board, ensuring that the governance framework remains aligned with best practices and supports the PGB Group's long-term strategic objectives.

To uphold procedural integrity and transparency, retiring Directors are required to confirm their consent for re-election before the AGM. In accordance with Article 107 of the Company's Constitution, the following Directors are scheduled to retire by rotation:

- Datuk Yeow Kian Chai
- Farina binti Farikhullah Khan

Additionally, in accordance with Article 100 of the Company's Constitution, the following Director is also scheduled to retire:

- Datuk Adif bin Zulkifli

At its meeting on 20 February 2025, the NRC conducted a formal assessment to determine whether the retiring Directors continued to meet the fit and proper criteria and remained suitable to serve on the Board. Following this evaluation, all retiring Directors confirmed their consent for re-election at the 42nd AGM, with the exception of Datuk Yeow Kian Chai. He has expressed his intention not to seek re-election and will retire from the Board by rotation at the forthcoming AGM. Datuk Yeow Kian Chai will continue to serve until the conclusion of the 42nd AGM of the Company.

The NRC satisfied with the review conducted by the BAC on 17 February 2025 on the following retiring directors:

- (1) Datuk Adif – The BAC evaluated and agreed upon recommended measures to mitigate any potential COI that may arise in view of his current role and directorships within PETRONAS Group.
- (2) Puan Farina – The BAC evaluated and affirmed that she has no COI or potential COI, including the interest in any competing business with the Company.

MD/CEO AND SENIOR MANAGEMENT PERFORMANCE APPRAISAL

Throughout the financial year, the NRC undertook a comprehensive review of the MD/CEO and Senior Management's performance, assessing their achievements against the targets established in the 2024 scorecard. The evaluation process was conducted with due consideration of key performance indicators (KPIs), strategic objectives, and operational milestones to ensure alignment with the PGB Group's long-term growth and value creation goals.

The NRC's deliberations focused on assessing leadership effectiveness, execution of strategic priorities, financial performance, operational efficiency, and adherence to corporate governance and sustainability commitments. The performance evaluation also served as a basis for determining remuneration outcomes, reinforcing a strong performance-driven culture across the leadership team.

Board Effectiveness Evaluation

The Board Effectiveness Evaluation 2024 (BEE 2024) was conducted through a digital platform, encompassing a comprehensive assessment of the Board, its Committees, and individual Directors. The evaluation process included Board, Committee, Peer, and Self-Assessments, ensuring a structured and objective review of governance effectiveness. This approach aligns with Practice 6.1 of the MCCG 2021, which recommends an annual formal evaluation to assess the Board's overall performance, the effectiveness of its Committees, and the contributions of each individual Director.

NOMINATION AND REMUNERATION COMMITTEE REPORT

In accordance with Practice 4.4 of MCCG 2021, BEE 2024 also incorporated specific assessments to evaluate the Board's effectiveness in addressing the Company's material sustainability risks and opportunities. The evaluation was designed to provide insights into the Board's oversight capabilities, strategic direction, and governance approach, reinforcing its commitment to corporate sustainability and long-term value creation.

The evaluation results were compiled and analysed internally by the PGB Corporate Secretarial team. The BEE questionnaires were distributed via a digital platform in December 2024, featuring a structured framework to assess key governance aspects. These included the Board's composition, strategic oversight, forward-looking agenda, meeting conduct, engagement with Management and stakeholders, as well as overall Board dynamics.

To enhance efficiency and focus, the BEE questionnaires underwent a review and streamlining process, reducing the total number of questions from 131 to 68, representing a 48% reduction. This refinement ensured a more concise yet comprehensive evaluation, enabling the Board to provide meaningful feedback while identifying key areas for improvement. The results of the assessment will guide ongoing enhancements to governance practices, ensuring the Board remains effective in fulfilling its fiduciary responsibilities.



The following areas were assessed:

AREAS OF BOARD EVALUATION	
PGB Group Dynamics & Effectiveness	<ul style="list-style-type: none"> Overall Impressions of the Board Overall Board Effectiveness Board Involvement and Engagement
Structure & Composition	<ul style="list-style-type: none"> Organisation/Composition of the Board Overall Committee Organisation Board Committee Roles and Duties of Board Members Looking Forward (Succession Planning & Development) Board's Focus on Sustainability
Communications	<ul style="list-style-type: none"> Communications with Shareholders/Other Stakeholders

DIRECTOR SELF/PEER EVALUATION	
Board Discussions	<ul style="list-style-type: none"> Provide Insightful Opinions Unafraid to confront with conflicts Professionalism Adding Value to the Board Demonstrates Independence of Judgements
Board Responsibilities & Professionalism	<ul style="list-style-type: none"> Maintain good relationships Abreast of industry developments and trends Demonstrates fiduciary role responsibly Taking time to really understand the information
Board Conflicts	<ul style="list-style-type: none"> Proactively discloses real and apparent conflict of interest situation Attitude and personality do not stifle discussions

NOMINATION AND REMUNERATION COMMITTEE REPORT

INDIVIDUAL DIRECTOR SELF EVALUATION		
Knowledge And Understanding On: <ul style="list-style-type: none"> Role that a Board plays in governance and as Company Director Vision and Mission Strategic needs and development Market Critical success factors Business risk Performance measures International businesses Financial discussions Legal and compliance duties Risk management Board effectiveness Differentiate strategy/policy issues and operational matters 		
Skills And Experience <ul style="list-style-type: none"> Analytical skills Relevant functional insights Relevant industry insights 	Preparation For Board Meetings <ul style="list-style-type: none"> Time commitment Contribution Pre-reading of all board papers 	Building Relationship <ul style="list-style-type: none"> Board colleagues Board and Management Display confidence in other Directors' abilities Listen attentively to ideas
Independence <ul style="list-style-type: none"> Ability to speak openly and honestly 	Professional Development <ul style="list-style-type: none"> On-going training and education 	

The Board evaluation process was structured around a strategic assessment framework designed to measure the effectiveness of the Board, its Committees, and individual Directors. This comprehensive approach provided valuable insights, enabling the identification of key strengths and areas for improvement, with the findings serving as the basis for actionable recommendations to enhance governance and overall Board effectiveness.

The outcome of the evaluation was consolidated into a detailed report at the Board level, which was subsequently presented and discussed in a dedicated Board working session. This session, facilitated by the designated Committee, focused on reviewing key observations, benchmarking findings against corporate governance best practices, and prioritising recommendations to strengthen governance oversight and strategic leadership.

Additionally, individual evaluation reports were provided to each Director, offering tailored feedback on their contributions and areas for development. The Chairman also received a consolidated report to support his role in guiding the continuous professional development of Board members, fostering a high-performance culture within the leadership structure.

BOARD EFFECTIVENESS EVALUATION 2024 REVIEW

The NRC reviewed the outcome of the Board Effectiveness Evaluation 2024 (BEE 2024) and noted that PGB is committed to the highest standards of good governance and led by a competent Board with strong support from the Management.

The results of the BEE 2024 were presented to the NRC and Board meetings held on 20 February 2025 and 21 February 2025 respectively. The Board noted the findings and areas that required further improvements.

Based on the analysis on the findings from the BEE 2024 report, the key strengths of the Board are visible in the following areas:

- (i) The Board has demonstrated its ability to provide an excellent stewardship role to the Management in fulfilling its business objectives. The Board is capable of critically evaluating proposals presented for in-depth deliberations and offering valuable insights on options to step up for potential new business outcomes.
- (ii) The Board provided effective strategic business inputs, business performance monitoring and overall oversight on Governance, Risk and Control. The INEDs have been actively engaged in Board's deliberations with utmost independent view and articulated in professional manner.
- (iii) The Board including its Board Committees, effectively addressed the needs of the Company and ensured the protection of the interests of all key stakeholders. The Board is highly effective, with a well-balanced composition that fosters active and constructive discussions. No single party dominates the conversations.

One of the key areas for improvement highlighted in the BEE 2024 is to equip the Board on knowledge of sustainability governance in Environment, Social and Governance (ESG) reporting risk, targets, and initiatives.

NOMINATION AND REMUNERATION COMMITTEE REPORT

The result of the BEE 2024 for the Board, Board Committees and Individual Directors for the year under review have enabled the Board to put in place actions to address areas for improvement for the coming year.

Priority areas and key findings have since been incorporated in the action plans that would further improve the Board performance. The individual results of the Directors' Self and Peer Assessment will also be used as consideration for directors going for re-appointment/renewal/re-election in 2025 and the full set of the result was provided to the Chairman of the Board for the latter to discuss with the individual directors.

Annual Reporting

The NRC conducted a thorough review and provided its endorsement of the disclosures within the NRC Report for the financial year ended 31 December 2024. This process ensured that the report was prepared in full compliance with the applicable regulatory requirements and governance guidelines. The review focused on the accuracy, transparency, and completeness of the disclosures, aligning them with best practices in corporate governance and regulatory expectations.

NRC's Effectiveness Review and Performance

Based on the 2024 BEE findings, the Board believes that the NRC played an effective role in managing board transitions during the year, thus providing valuable contribution to the Board. The Board is satisfied with the performance and effectiveness of the NRC in providing sound advice and recommendations to the Board during the year, particularly on succession planning for Directors and the Senior Management.

SUMMARY OF ACTIVITIES OF THE NRC DURING FY2024

During the financial year under review, the NRC undertook key activities in discharging its responsibilities, focusing on Board membership, succession planning, senior management oversight, and performance evaluation.

Board Membership and Succession Planning

- Reviewed and assessed the performance of Directors seeking re-election at the Company's 41st AGM and provided recommendations to the Board.
- Assessed the training needs of Directors and developed the Directors' Training Plan for FY2024 to ensure continuous professional development.
- Reviewed the renewal of tenure for Independent Non-Executive Directors to maintain governance effectiveness.

- Evaluated and reviewed the nomination of the Chairman/ Non-Independent Non-Executive Director.
- Reviewed and assessed the Board Succession Planning framework to ensure leadership continuity and sustainability.

Senior Management's Appointment, Remuneration and Performance

- Reviewed and endorsed the Employee Performance Ratings for PGB's Senior Management for FY2024.
- Assessed and approved the 2024 scorecards for the MD/CEO and Direct Reports, ensuring alignment with corporate objectives and the sustainability agenda. The MD/CEO and Direct Reports' sustainability KPIs and targets are linked to remuneration.
- Reviewed and approved revisions to the manpower cost for the MD/CEO for FY2024.
- Evaluated the mid-year performance of the MD/CEO and Senior Management, assessing progress against agreed performance targets.
- Reviewed initiatives aimed at enhancing productivity through digitalisation.
- Examined capability development strategies to ensure the Company builds the right talent for future business needs.

Performance Management

- Conducted a structured review and evaluation of the performance of the MD/CEO and Senior Management for FY2024, ensuring an objective and transparent assessment process.

Board Effectiveness and Evaluation

- Assessed the findings from the BEE for FY2023 and monitored the implementation of recommended actions.
- Reviewed and approved the BEE questionnaires for FY2024 to ensure a comprehensive evaluation of governance effectiveness.
- Endorsed the methodology for the FY2024 BEE exercise, conducted internally via a digital platform for enhanced efficiency.

DATUK MARK VICTOR ROZARIO
Chairman
Nomination and Remuneration Committee

BOARD SUSTAINABILITY AND RISK COMMITTEE REPORT



DATUK YEOW KIAN CHAI
Chairman, Board Sustainability and Risk Committee

Dear Valued Shareholders,

The financial year ended 31 December 2024 marked a significant step in strengthening our governance framework. The Board Sustainability and Risk Committee (BSRC), previously known as the Board Risk Committee, has taken on a broader role, overseeing risk management, Environmental, Social & Governance (ESG) matters, compliance, and sustainability. To support this transition, the Board approved a revised Terms of Reference, ensuring the Committee remains well-equipped to guide the company towards long-term resilience and sustainable growth.

These governance enhancements reflect PGB's ongoing commitment to ESG principles, a commitment that was recognised at The Edge ESG Awards 2024, where PGB was honoured with the Gold award in the Utilities segment.

This report provides an overview of the BSRC's key activities during the year under review, outlining our progress and priorities for the future.

TERMS OF REFERENCE

PGB remains committed to adopting best practices in governance and sustainability. In line with this commitment, the Board approved a revised Terms of Reference (TOR) for the BSRC at its meeting on 27 February 2024. The updated TOR reflects the enhancement of the Committee's responsibilities in risk management, ESG, and compliance alongside its existing responsibilities in sustainability.

The TOR outlines the authority, duties, and responsibilities of the BSRC, ensuring clear governance structures that support long-term resilience and responsible growth. For transparency and accessibility, the revised TOR is available on PGB's corporate website at www.petronas.com/pgb.

COMPOSITION

The BSRC is composed of four Independent Non-Executive Directors (INEDs), maintaining the same composition as the previous year. Each member brings extensive industry knowledge, sound judgment, objectivity, and professional integrity, ensuring effective oversight of the Committee's responsibilities.

All BSRC members remain fully committed to their roles, with full attendance recorded at BSRC meetings during the financial year ended 2024. In line with regulatory requirements under the Main Market Listing Requirements (MMLR), all members have also completed the Mandatory Accreditation Programme (MAP) Training II. Notably, none of the BSRC members has appointed alternate directors.

As at the date of this report, the composition of the BSRC is as follows:

Chairman
DATUK YEOW KIAN CHAI <i>(Independent Non-Executive Director)</i>
Date of appointment: 25 May 2021 Tenure: 3 years 9 months
Member
FARINA FARIKHULLAH KHAN <i>(Senior Independent Non-Executive Director)</i>
Date of appointment: 25 May 2021 Tenure: 3 years 9 months
DATUK MARK VICTOR ROZARIO <i>(Independent Non-Executive Director)</i>
Date of appointment: 1 June 2021 Tenure: 3 years 9 months
SUJIT SINGH PARHAR S/O SUKHDEV SINGH <i>(Independent Non-Executive Director)</i>
Date of appointment: 22 November 2021 Tenure: 3 years 3 months

The profiles of the BSRC members are disclosed on pages 86, 88 and 89 of this Integrated Report 2024.

BOARD SUSTAINABILITY AND RISK COMMITTEE REPORT

MEETINGS AND ATTENDANCE DURING THE FINANCIAL YEAR

To ensure effective planning and full participation, the schedule for BSRC meetings was established in November 2023, allowing members to integrate them into their calendars well in advance. Meetings were held on a quarterly basis, with additional sessions convened as required. Over the course of the financial year under review, the Committee met four (4) times to fulfil its governance and oversight responsibilities.

A detailed record of members' attendance is available on page 108 of this Integrated Report 2024.

The MD/CEO, Chief Financial Officer (CFO), and Head of Risk Management (RM) attended BSRC meetings, offering critical insights, advice, and clarifications on key agenda items. The Company Secretary acted as the Committee's secretariat, ensuring smooth proceedings.

Risk management remained a key priority, with the Head of RM presenting regular reports on risk monitoring and the corporate risk profile. Where necessary, relevant members of the Leadership Team were invited to provide input on strategic initiatives and business matters carrying significant risk implications.

To enhance efficiency, meeting agendas and supporting documents—comprising both qualitative and quantitative data—were securely distributed at least five days prior to each meeting via a collaborative digital platform. This system streamlined the document-sharing process while maintaining the confidentiality of sensitive information, enabling members to access proposal papers electronically.

Key matters discussed during the year included the Final Investment Decision for the projects undertaken by PGB Group, Strategic Business Discussions, updates on PGB's Risk Appetite and Enterprise Risk Report (ERR), and the establishment of the PETRONAS Integrity Governance Unit (IGU) under Group Integrity.

All proceedings were formally recorded, with minutes of each meeting duly signed and maintained by the Secretary. These minutes were subsequently reviewed and confirmed at the following BSRC meeting before being presented to the Board for notation.

SUMMARY OF ACTIVITIES OF THE BSRC DURING THE FINANCIAL YEAR 2024

Throughout the financial year, the BSRC remained focused on its core responsibilities, ensuring effective risk management, governance, and sustainability practices within PGB. The Committee played an active role in assessing key risks, monitoring compliance, and guiding the company's strategic direction in alignment with regulatory requirements and best practices.

Enterprise Risk Profile

As part of its risk oversight, the BSRC reviewed and endorsed the Enterprise Risk Profile (ERP) annually for Board approval. The ERP serves as a critical tool in identifying, assessing, and monitoring of risk mitigation, ensuring proactive management of risks.

During the year under review, the BSRC endorsed seven principal risks, three of which were classified as high-risk for FY2024.

Risk Appetite

The Committee conducted quarterly reviews of risk appetite thresholds, identifying any breaches and recommending mitigation actions where necessary. This process ensured that the risks undertaken remained within approved levels while supporting the company's strategic and business objectives. Additionally, the BSRC endorsed the risk appetite thresholds for 2024, providing a structured framework on acceptable risk parameter for PGB.

Risk Monitoring

To ensure the robustness of PGB's risk management practices, the BSRC reviewed Key Risk Indicators (KRIs) and the effectiveness of mitigation measures, reported quarterly as part of ERR.

Risk Assessment for Business Decisions

The BSRC was actively involved in reviewing key business propositions, assessing associated risks, and evaluating mitigation strategies mainly for key critical areas such as:

- High-exposure commercial transactions
- Strategic partnerships and capital projects
- New business ventures and special projects
- Expansion into new markets and business models

Sustainability

As a central forum for sustainability discussions, the BSRC oversaw PGB's ESG agenda, reviewing performance updates and regulatory compliance. Key deliberations included the external verification of PGB's sustainability report and progress towards fulfilling Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Under the Committee's guidance, PGB successfully aligned with TCFD guidelines, paving the way for compliance with IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures), as mandated by Bursa Malaysia.

In addition to internal ESG performance, the BSRC reviewed sustainability developments such as the National Climate Change Policy 2.0 and the Government's announcement of a carbon tax by 2026. These insights ensured that PGB remained well-positioned to navigate regulatory shifts and capitalise on emerging opportunities.

Performance updates on PGB's four sustainability pillars—Sustainable Value Creation, Responsible Governance, Safeguarding the Environment, and Positive Social Impact—were also presented to the Committee. The BSRC assessed any deviations from set targets, validated achievements, and acknowledged key milestones, including 2024 FTSE4Good assessment result of 4.7.

High-Impact Business Matters

Strategic and high-impact projects were a focal point for the BSRC, with the Committee reviewing Final Investment Decisions (FID), project updates, and strategic partnerships. These deliberations helped assess the feasibility, risks, and commercial viability of major investments, ensuring alignment with PGB's long-term growth objectives.

Governance

The Committee undertook a review of PGB's corporate governance framework, ensuring its alignment with the company's business strategy. It also assessed PGB's compliance with the MCCG 2021, noting that the company had already adopted most of exemplary practices outlined in the code.

Annual Reporting

Ensuring regulatory compliance and transparency, the BSRC reviewed the BSRC Report and the Statement on Risk Management and Internal Control (SORMIC) for the financial year ended 31 December 2024. These documents were prepared in line with Bursa Malaysia's MMLR.

BSRC EFFECTIVENESS REVIEW AND PERFORMANCE

The performance of the BSRC was assessed as part of the Board Effectiveness Evaluation, with the findings indicating that the Board remains satisfied with the Committee's composition, expertise, and overall performance in fulfilling its mandate.

DATUK YEOW KIAN CHAI

Chairman
Board Sustainability and Risk Committee

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) where the Board of Directors of public listed companies are required to publish a statement about the state of the risk management and internal controls of the listed issuer as a group.

The Board is committed to maintain and continuously improve PETRONAS Gas Berhad and its subsidiaries (Group)'s system of risk management as well as internal controls and is pleased to provide the following statement which outlines the nature and scope of risk management and internal controls of the Group during the year under review.

As internal control is an integral part of the Group's risk and control continuum to achieve the Group's objectives, the Group adopts PETRONAS' shared values of loyalty, integrity, professionalism and cohesiveness which set the tone for a sound system of risk management and internal controls.

BOARD'S ACCOUNTABILITY

The Board acknowledges the importance of a sound risk management system and internal control practices for good corporate governance with the objective of safeguarding shareholders' investments and the Group's assets. The Board affirms its overall responsibility for the Group's system of risk management and internal controls and has undertaken a review of the adequacy and effectiveness of those systems and compliance with relevant laws and regulations.

In view of the limitations that are inherent in any system of internal controls, this system is designed to manage the risk to as low as reasonably practicable in achieving the corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or losses or the occurrence of unforeseeable circumstances.

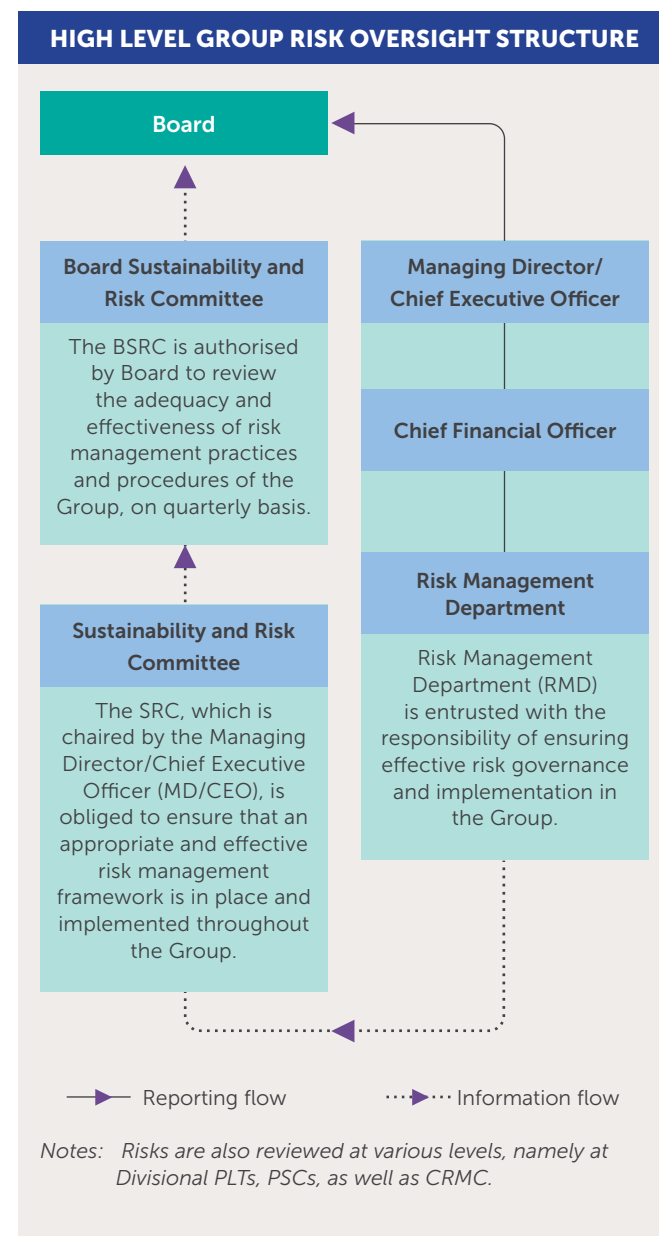
The Group has in place an ongoing process for identifying, evaluating, monitoring and managing all significant risks faced by the Group and its achievement of objectives and strategies for the year under review. This process is regularly reviewed by the Board in accordance with the Statement on Risk Management and Internal Control pursuant to Paragraph 15.26 (b) of the MMLR of Bursa Malaysia.

RISK MANAGEMENT PRACTICES

Risk Management is regarded by the Board to be an integral part of the Group's organisational processes, with the objective of maintaining a sound system and ensuring its continuing adequacy and integrity. Risk Management is firmly embedded in the Group's management system. The Group's Risk Management Policy is to adopt an effective and progressive Enterprise Risk Management (ERM) system to identify, evaluate and monitor the risks faced by the Group and to take specific measures to mitigate these risks.

RISK OVERSIGHT STRUCTURE

The Group risk oversight structure allows risk information flow for effective oversight of risk management implementation at all levels. Risks are reviewed at various committee levels within the Group, before it is deliberated at the PETRONAS Gas Berhad (PGB) Sustainability and Risk Committee (SRC) and PGB Board Sustainability and Risk Committee (BSRC).



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK

Our Risk Management Framework adheres to the PETRONAS Resiliency Model (PRM), which focuses on the three areas namely ERM, Crisis Management (CM) and Business Continuity Management (BCM) in strengthening the current practices and placing greater emphasis on risk management implementation and business continuity practices.

ENTERPRISE RISK MANAGEMENT

a) Enterprise Risk

The Group's ERM adheres to the PETRONAS ERM Framework which adopts ISO 31000:2009 Risk Management requirements. The ERM Framework provides a standard and consistent approach in implementing ERM in the Group. There are six key requirements of ERM under the Framework:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

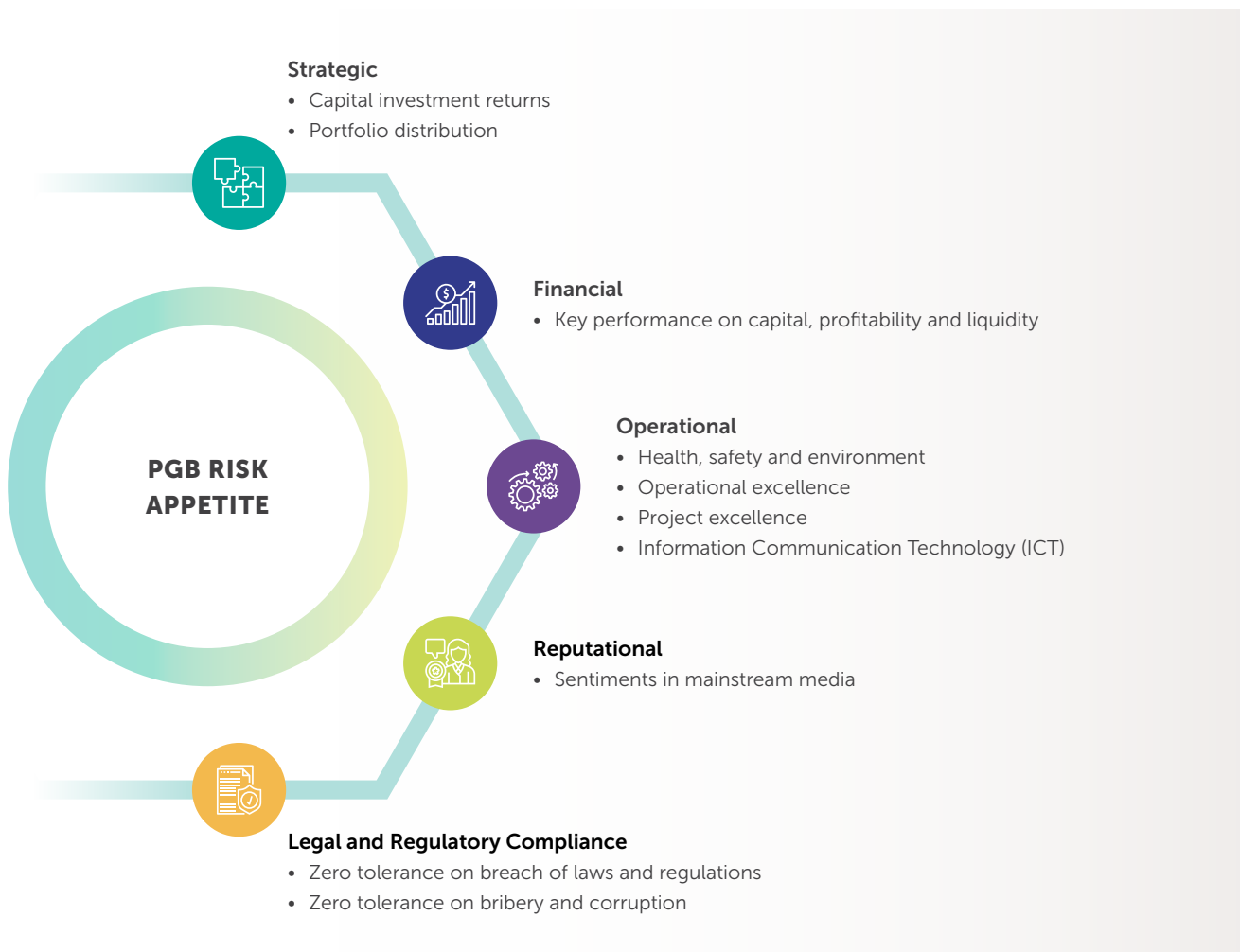
The Group's Risk Policy communicates the Board's and Management's expectations on risk management implementation and business continuity practices.

PGB is committed to become a risk resilient organisation. PGB shall continuously strive to implement:

- Risk management best practices to protect and create value within the set boundaries.
- Risk based decision making by providing a balanced and holistic view of exposures to achieve business objectives.

Managing risk is everyone's responsibility.

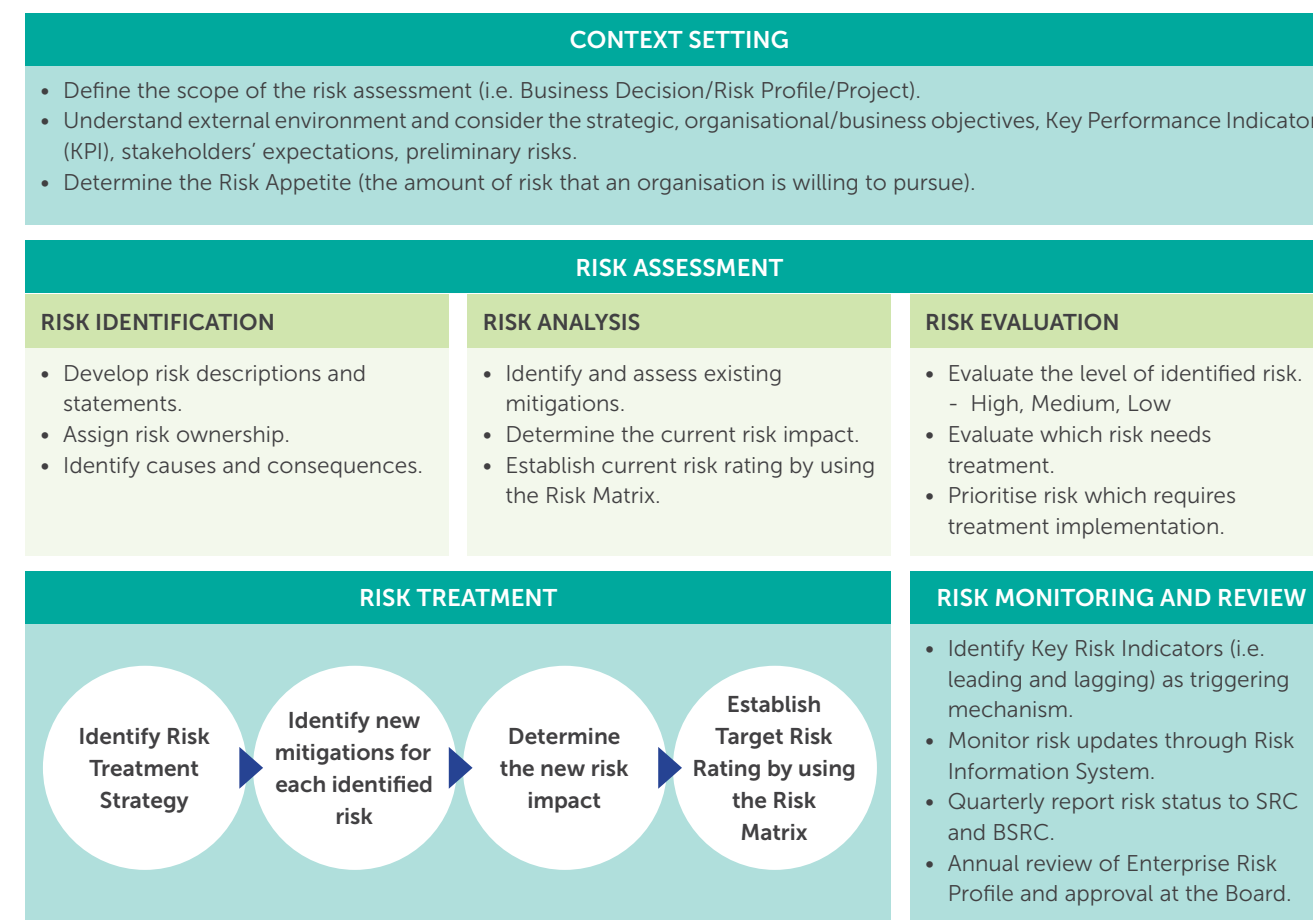
In addition, the Group's risk appetite level is being deliberated and agreed upon to further enhance clarity on the risks that the Group is willing to pursue or retain. The risk appetite which being reviewed annually, takes into account relevant parameters as well as business strategies and performance expectations.



Enterprise Risk Profiling and Assessment follows a process which ensures a consistent approach in assessing and analysing risks faced by the Group, guided by its approved strategies and plan. Risks are reviewed annually with involvement from Management and Subject Matter Experts (SMEs) from divisions and departments across the Group with discussions focused on risks which could potentially impede the Group from meeting its objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The following structured process within the ERM Framework was adopted:



RISK MATRIX

LIKELIHOOD	IMPACT				
	Insignificant	Minor	Moderate	Major	Severe
Almost Certain	Low	Medium	High	Very High	Very High
Likely	Low	Medium	High	Very High	Very High
Possible	Low	Medium	High	Very High	Very High
Unlikely	Low	Medium	High	Very High	Very High
Remote	Low	Medium	High	Very High	Very High

Legend: Low (Green), Medium (Yellow), High (Orange), Very High (Red)

Our Risk Matrix

As part of ERM, each risk is mapped based on a matrix which specifies the likelihood and impact of the risk. The likelihood and impact of these risks are assessed and evaluated against the Group's risk appetite and tolerance level. Likelihood rating states the probability of the risk to happen, while impact rating specifies the extent of its impact if the risk occurs. Both measurements can be expressed qualitatively or quantitatively.

Key Risk Indicators (KRIs) and mitigation actions have also been identified and implemented accordingly. Key risk indicators are identified to facilitate monitoring of the risks and provide an early warning signal on recognised risks. The key risks and mitigation actions are monitored and reported to SRC and BSRC for deliberation and guidance on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Prior to risk profiling and assessment activities, various inputs are analysed in setting the context of the assessment, which includes both internal and external factors that may impact the Group's businesses and operations. Internally, key considerations include recent Health, Safety, Security and Environment (HSSE) performance or audit findings, operational performance as well as project related matters. From the external perspective, recent changes in regulatory or statutory requirements as well as shifts in industry outlook and landscape are also considered and analysed as they may have a direct or indirect impact on the Group's operations.

Each risk is mapped based on a matrix which specifies its likelihood (how likely is the risk to happen) and its impact (the extent of its impact if it did happen), analysed from both qualitative and quantitative perspectives. The matrix is adopted from the PETRONAS ERM Framework and adapted based on the Group's risk appetite and tolerance level. Depending on the risk treatment strategies adopted, mitigation plans are outlined to mitigate the risks to an acceptable level.

Key Risk Indicators (KRIs) are identified to facilitate monitoring of the risks which provide an early warning signal on potential emerging risks. Risk Owners, Risk Mitigation Owners and Risk Focal persons are assigned for each risk to ensure the risk mitigations developed are appropriately implemented, monitored and regularly reported.

RMD provides updates on the Group's ERM implementation to PGB SRC and subsequently, to PGB BSRC in the form of a quarterly Enterprise Risk Report (ERR). The report covers the risk profile and status of risk mitigation implementation, KRIs as well as risk management framework implementation and risk initiatives. Additionally, RMD includes an expanded focus on emerging risks driven by external factors, which enable forward-looking risk identification and mitigation strategies.

During the year, an annual review of the Enterprise Risk Profile was conducted throughout the Group where key issues and risks were deliberated at length based on the latest context considering internal and external factors, focusing on the key risks. Mitigations were identified for each of the key risks and aligned with the Group's focus in driving its business plans and strategies to achieve its aspirations as set out in PGB Material Matters in Integrated Report 2024.

Both Regas Terminal Sungai Udang Sdn Bhd and Pengerang LNG (Two) Sdn Bhd, which are operating subsidiaries within the Group are also prescribed to the PRM framework and practices. Guidance are provided to Kimanis Power Sdn Bhd, Pengerang Gas Solutions Sdn Bhd and Industrial Gases Solutions Sdn Bhd, the joint venture companies, on the practice of Group's Risk Policy and PRM.

In addition, the Group conducted a climate transition risk assessment to address the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, as mandated by Bursa Malaysia. The outcome is set out in the PGB Sustainability Report 2024.

Risk Assessment in Decision Making (RADM) was also conducted on new business ventures and strategies, as it is a key component to facilitate informed decision-making at various Steering Committees, Leadership Team, BSRC and Board, facilitated by RMD in 2024.

b) Plant and Facilities Risk

The respective Plant Leadership Teams (PLT) are responsible in ensuring adequate and effective Plant and Facilities Risk Management (PFRM) at the Divisions. The Group manages its operational risks via PFRM. Under PFRM, risks relevant to operations at the divisions were assessed, monitored and reported to the respective Divisions' PLT. The risks were rated based on its probability and impact to the divisions' operations. Appropriate mitigation plans are put in place for every key risk.

During the year under review, the plant and facilities risk review was conducted for both Gas Processing and Utilities (GPU) Division, and Gas Transportation and Regasification (GTR) Division. The respective divisions' risk profiles were deliberated, updated and approved at Division's PLT. Subsequently, the risks were monitored with mitigation actions tracked and periodically reported to the respective PLTs.

c) Project Risk

In accordance with PGB Project Strategic Direction, it is imperative to ensure efficient project delivery from inception to completion, while prioritising adherence to cost and schedule, as well as maintaining the highest standards of HSE and safeguarding our reputation. To uphold these standards, dedicated project steering committees have been established to closely monitor and ensure the effective execution of projects and services as per Plant Change Execution Agreement (PCEA), Enhance Commercial Model (ECM), Technical Service Agreement (TSA), and Service Agreement (SA). Additionally, Project Development Department and Project Directorate Department has been operationalised during the year under review, to further enhance the effectiveness of project delivery according to the latest project framework and the Group's project management system which being published and implemented in 2024, particularly in the Group's growth projects.

Status updates on project risk mitigations are included as part of the monthly project progress report to the relevant committees such as PGB Leadership Team (PGB LT), respective Divisions' PLT and the relevant Project Steering Committee (PSCs) for proper monitoring. With current and potential new projects from growth initiatives, close monitoring is key to meet the project delivery targets.

PGB Investment Steering Committee (ISC), act as a sounding board to the Leadership Team in managing capital investments related to growth and strategy. The PGB ISC provides strategic direction for potential business opportunities, project, and initiatives for strategic, growth purpose and annual portfolio review.

d) Contractor Risk

Procurement functions are undertaken by Group Procurement (GP) of PETRONAS to benefit from cost and process efficiencies, improved line of sight as well as clarity in accountability whilst having direct access to a larger pool of expertise and resources in GP. Correspondingly, tendering exercises are facilitated by GP in accordance with PETRONAS Group tendering and contract procedures and guidelines.

The Contractor Risk Assessment (CoRA) process is an integral part of the contractors' selection process which is being applied prior to awarding the contract. Upon award of the contract, the results of CoRA together with its mitigation plans are implemented, monitored, and resolved by the relevant teams involved in the project.

e) Finance Risk

The Group has adopted the PETRONAS Financial Policy in 2021. The policy sets the overarching philosophy on commitment towards becoming financially resilient, and to ensure efficient capital and liquidity management amidst challenging and volatile business landscape, in addition to providing a consistent framework in which financial risk exposures are identified and strategies developed to mitigate such risks.

The Group has further established the PETRONAS Financial Standard which serves as the supporting framework and guidelines to manage its finance risk exposures that include counterparty risk, liquidity risk, foreign exchange risk and interest rate risk. These guidelines will align the Group's practices with PETRONAS' policies and guidelines.

The Group's foreign currency management policy is in place to minimise economic and significant transactional exposure arising from currency movements. For major capital projects, the Group and the Company perform assessment of potential foreign currency risk exposure at the investment decision phase to determine the appropriate foreign currency risk management strategy. Residual net positions are actively managed and monitored against prescribed policies and control procedures. When deemed necessary and appropriate, the Group will enter into derivative financial instruments to hedge and minimise their exposure to the foreign currency movements.

f) Credit Risk

PGB Credit Guidelines is in place to facilitate the management of credit risk exposures which applies the Credit Risk Management processes based on PETRONAS Credit Risk Rating methodology. The customers are assessed using the PETRONAS Credit Risk Rating System (PCRRS) to ensure alignment with the credit assessment process adopted by the PETRONAS Group. The system evaluates the creditworthiness and assigns credit risk ratings to the customers. Credit assessment facilitates the decision to assign applicable credit limits to customers as exposure control.

Trade and non-trade receivables ageing are also deliberated monthly at the PGB LT, where overdue balances, if any, are highlighted and actions to be taken agreed.

To further strengthen the management of credit risk, PGB Credit Risk Management Committee provides oversight on credit risk management practices in compliance with PETRONAS Financial Policy.

g) Third Party Risk

Third Party Risk Management (TPRM) is adopted to instill business discipline of having a robust due diligence process in order to safeguard the Group from any corporate liability arising from misconduct of our third parties in the 5 Critical Legal Areas i.e. Sanctions, Export Control, Competition, Data Privacy and Ethics & Integrity (5 CLAs). TPRM enables the Group to detect possible red-flags of our third parties; and provide subsequent mitigation measures or contractual safeguard after the entry of a relationship with those third parties against any risks of legal, financial and/or reputational damage in relation to the 5 CLAs that may be caused by them to the Group. TPRM outlines the due diligence screening using the recommended tools including Know Your Customer (or Counterparty) (KYC) Self-Declaration Questionnaire and Online Screening System.

h) Health, Safety, Security and Environment (HSSE) Risk

The Group leverages on the PETRONAS Health, Safety and Environment Management System (HSEMS) to manage HSSE risks and ensure that operations are in compliance with the HSSE regulatory requirements. The HSEMS ensures that HSSE risks within the business are managed effectively. In addition, the Group subscribes to PETRONAS HSSE Mandatory Control Framework to strengthen HSSE governance within the Group through clear HSSE requirements.

Major risks in HSSE are identified with its mitigation actions monitored through Hazards and Effects Management Process (HEMP), Plant Facilities Risk Management (PFRM) and ERM. Amongst the focus areas for the year under review is HSSE compliance improvement via digitalisation, enhancing functional assurance effectiveness and safe execution of projects by performing consistent assurance. Establishment of Spot The Active Risk (STAR) dashboard providing line of sight of overall site compliance for timely intervention at site are being conducted to manage the risks proactively.

The Group has established multiple platforms to conduct periodic management reviews on HSSE risks and changes are managed through structured Management of Change (MOC) that are triggered from past incidents and plant modification activities. HSSE performance and reporting is a fixed agenda in the monthly PGB LT meeting. Similar HSSE Leadership Team (HSSELT) Committee meetings are held at the business and division level, facilities and projects which are chaired by respective Management personnel.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group has also put in place a series of assurance programmes to review and verify the effectiveness of the HSEMS and HSSE risk mitigations on its facilities. The HSSE assurance programme adheres to the requirement of PETRONAS HSEMS, Mandatory Control Framework, PETRONAS Technical Standards, as well as international standards such as ISO 14001 for Environmental Management System, OHSAS 18001 and MS 1722 for Occupational Health and Safety Management System. The Group is committed to continue with its rigorous HSSE assurance programmes in ensuring the effectiveness of its HSEMS implementation.

i) Corporate Liability

Effective from 1 June 2020, Section 17A of Malaysian Anti-Corruption Commission Act (2009) places the Group at risk of corporate liability offence in the event of failure to prevent bribery and corruption within the organisation. To protect the commercial organisation from such charges is by proving said organisation had in place adequate procedures to prevent such conduct within the organisation. One of the defence available for the Group is through the implementation of Prime Minister's Office (PMO)'s Guidelines on Adequate Procedures based on 5 principles known as TRUST:



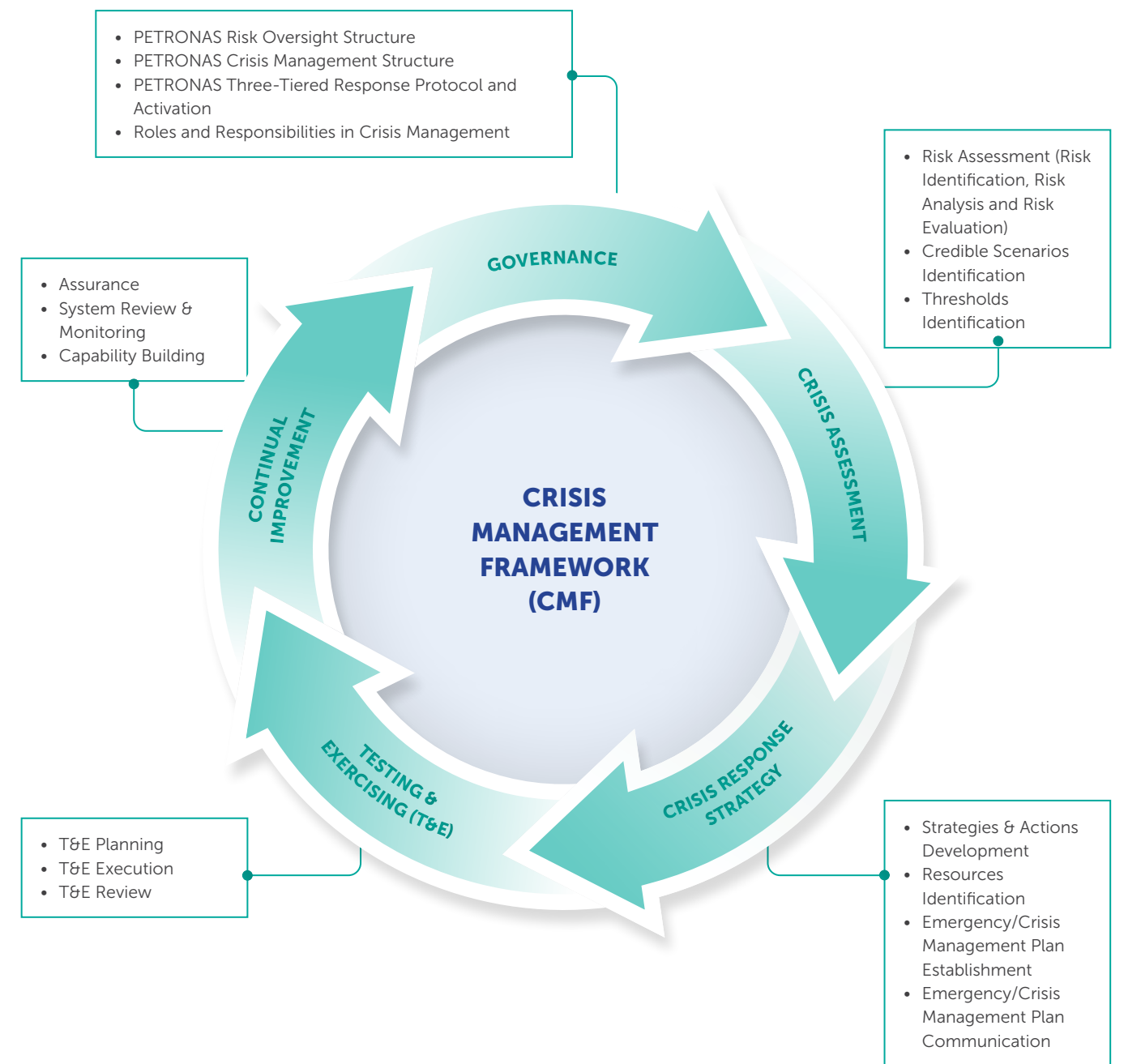
In view of this, PGB Integrity Framework and PGB Corporate Liability Programme plan have been developed. PGB Corporate Liability Programme is being monitored and reported by the PGB Integrity Focal Person (IFP) to PGB LT and PETRONAS Group Integrity on a periodical basis to ensure the Group is protected from liability under Section 17A of MACC Act (2009). During the year under review, the Group proactively monitored the mitigation status of its Corruption Risk Assessment (CRA) to ensure effective implementation and continuous improvement. All mitigations were closed during the year by their respective mitigation owners.

PGB INTEGRITY FRAMEWORK					
Oversight	PGB Board Sustainability and Risk Committee (BSRC)				
	PGB Sustainability and Risk Committee (SRC)				
Adequate Procedures	T	R	U	S	T
Focus Area	Integrity Pledge of PGB LT	CRA Exercise	Strengthen CL Internal Control	CL Self-Assurance	Intensify CL Awareness
Key Activities	Integrity Pledge & Leaders Commitment	Corruption Risk Assessment	Strengthen internal process implementation	Timely completion of identified Self Assessment exercise	Awareness and communication session
Counterparts	PGB Legal, PGB HRM, PGB Finance & Risk, PGB BD&C, PGB HSE & BE, GPU, GTR				
	Group Integrity, Group Legal, Group HRM, Group Risk, GAS & Maritime Risk				
PGB ZERO TOLERANCE CORRUPTION AND UNETHICAL PRACTICES					

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CRISIS MANAGEMENT

The Group crisis management framework and practices are in adherence to the PETRONAS Crisis Management framework which provides the foundation for consistent and effective crisis response. The Group has in place contingency planning that defines the structure and processes for managing emergencies and crisis at the Group's level. There is a three-tier response system in place as outlined based on severity of the crisis which provides clear demarcation of response control and required capability of emergency or crisis team members in order to protect and save people, environment, asset and reputation. In the event of business disruptions during crisis events, Business Continuity Plan (BCP) will be activated to ensure business continuity.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CRISIS MANAGEMENT PLAN

Activated when there is an emergency situation

CRISIS MANAGEMENT TEAM

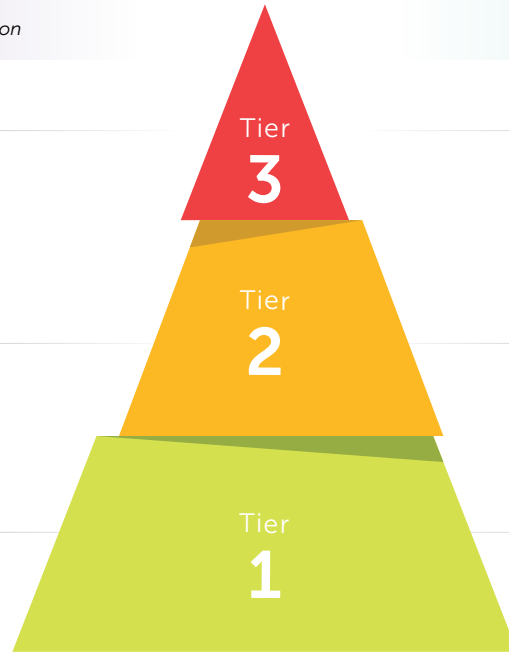
Crisis
A situation where there is a potential for multiple fatalities/injuries and severe damage to property, environment and business which involves neighbouring sites and surrounding communities.

EMERGENCY MANAGEMENT TEAM

Major Emergency
Emergency response is within the control and capability of the EMT with external assistance from response agencies and authorities.

EMERGENCY RESPONSE TEAM

Minor Emergency
Emergency response is within the control and capability of assets/area/regional office/site emergency response.



BUSINESS CONTINUITY PLAN

Activated when there is a business disruption

BUSINESS CONTINUITY MANAGEMENT TEAM

Crisis
Incident is affecting PGB business/operations. Require PGB management involvement on strategic decision making.

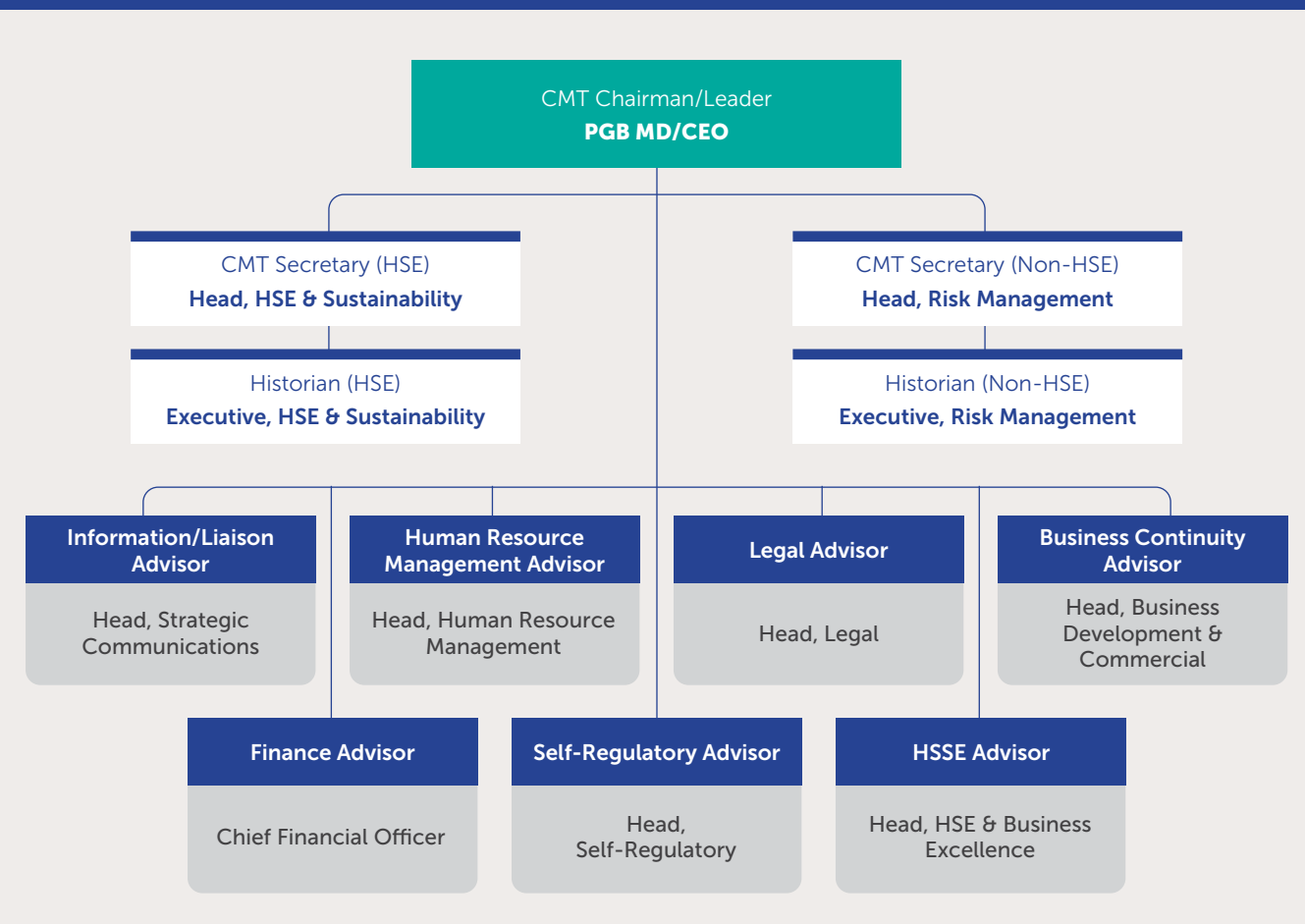
BUSINESS RECOVERY MANAGEMENT TEAM

Disaster
Disruption is beyond operational. Require division's management support on strategic decision making.

BUSINESS CONTINUITY RESPONSE TEAM

Incident
Disruption is manageable at operational level. No management intervention is required.

PGB CRISIS MANAGEMENT TEAM (CMT) ORGANISATION CHART



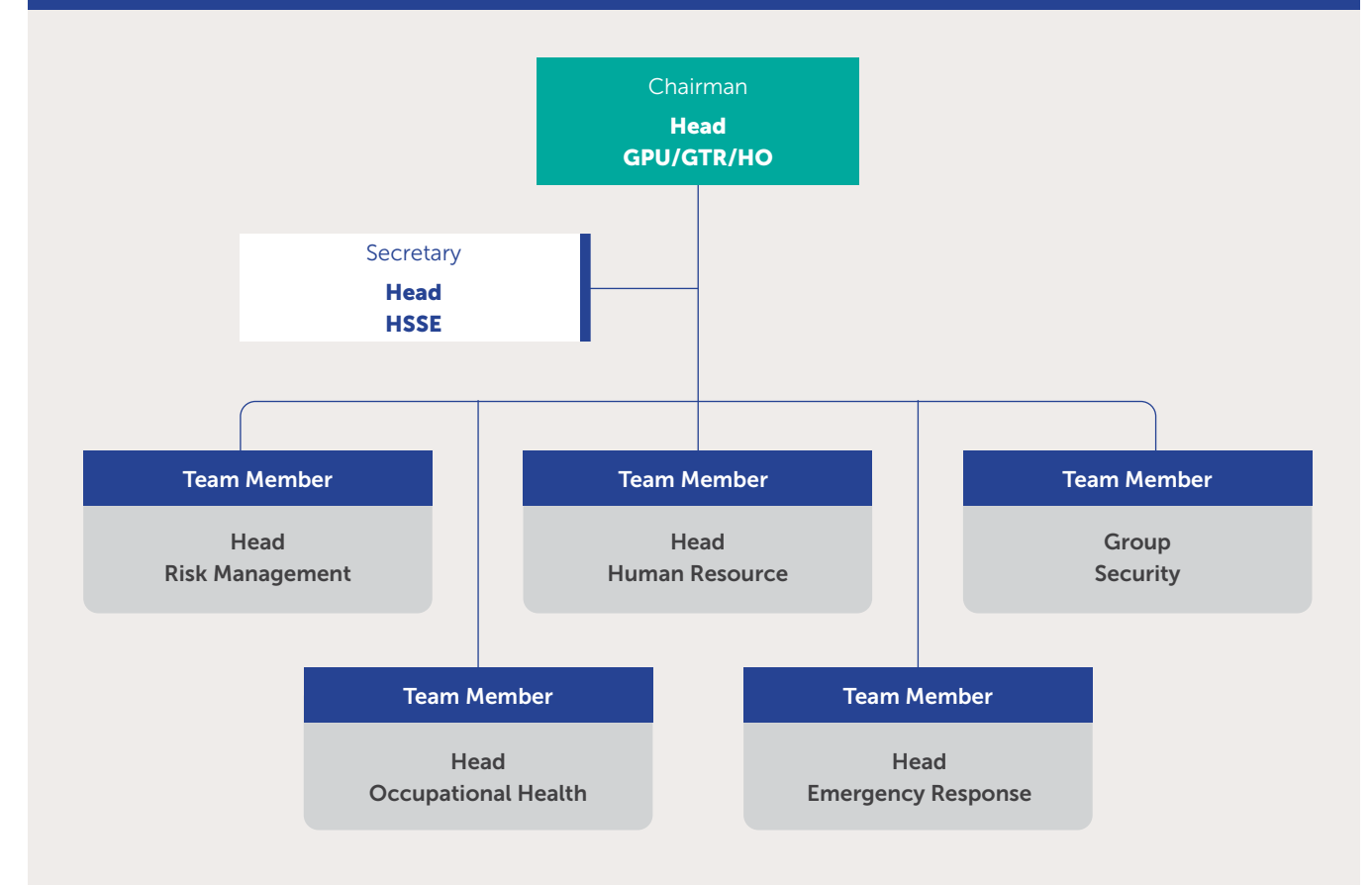
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

As part of Crisis Management Plan (CMP), the Group has incorporated the non-HSE crisis scenario areas on top of the existing Health Safety and Environment (HSE) crisis scenario area, which includes security, finance, human resource management, legal and regulatory, plant and facilities, information communication technology and reputation. In addition, specific crisis action plans specifically for information communication technology and cybersecurity were also established.

PGB Pandemic Preparedness Response Guideline continues to be in place to:

- provide guidance to strategise preparedness and response to minimise the risk imposed by COVID-19 outbreak;
- align the action plans as stipulated by PETRONAS Pandemic Preparedness and Response Team (PPRT); and
- reduce the impact on the Group's business activities whereby safeguarding its people, environment, assets and reputation.

PGB PPRT STRUCTURE

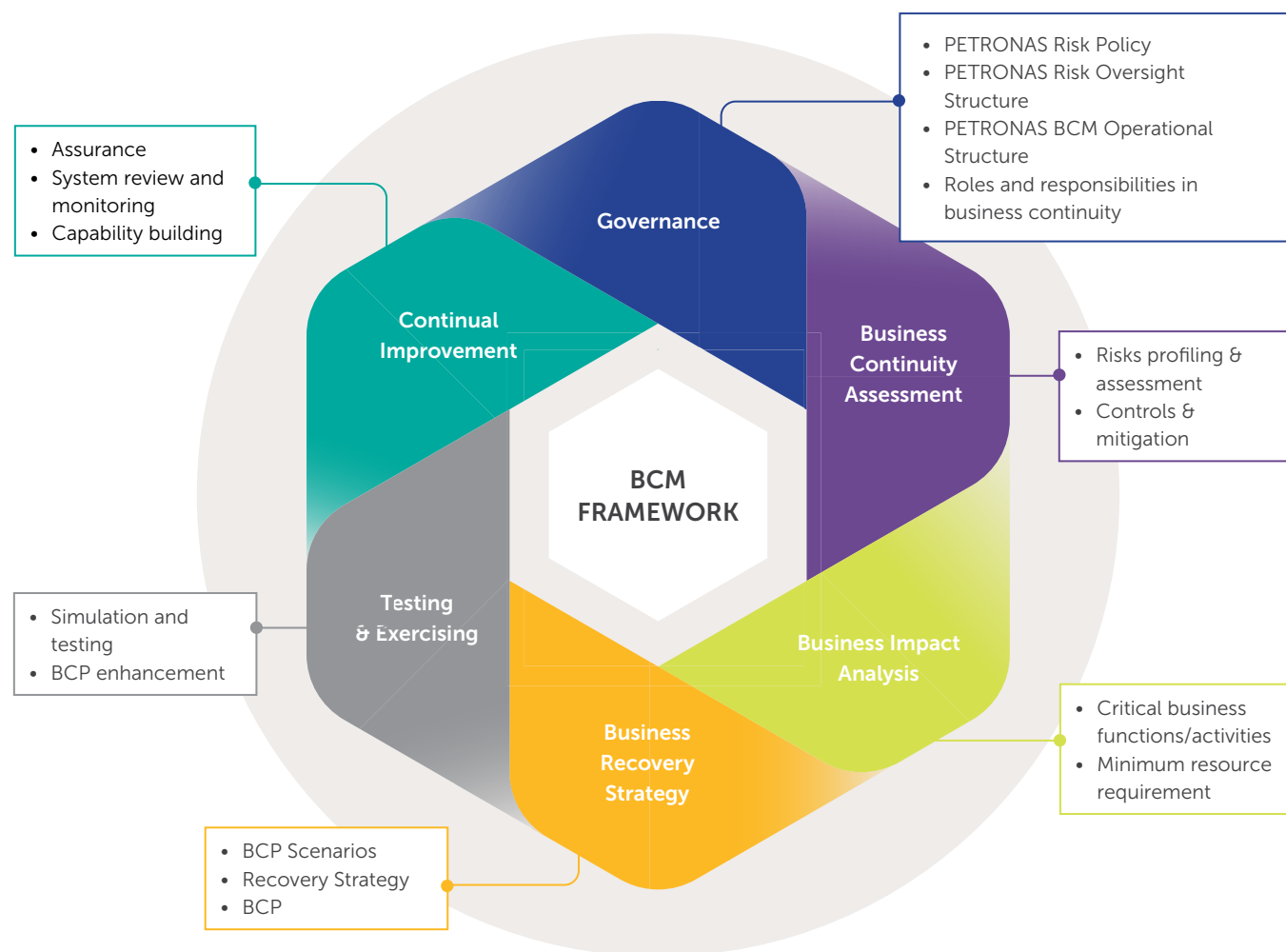


BUSINESS CONTINUITY MANAGEMENT

The Group practices structured Business Continuity Management (BCM) which involves various elements to ensure continuity of the Group's operations and services in the event of disruptions or crises. RMD is entrusted with the responsibility of ensuring effective BCM governance and implementation in the Group. At operating divisions, there are focal persons assigned to drive the implementation of the framework and processes rolled out by RMD and ensure effective execution of BCM at the respective divisions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PGB BUSINESS CONTINUITY MANAGEMENT FRAMEWORK



Business Impact Analysis (BIA) prioritises the Group's key business functions and spells out the timeframe to resume each function in the event of disruptions. It was periodically reviewed and updated with objective to identify criticality business functions and determine resource requirements to be allocated for recovery and resumption.

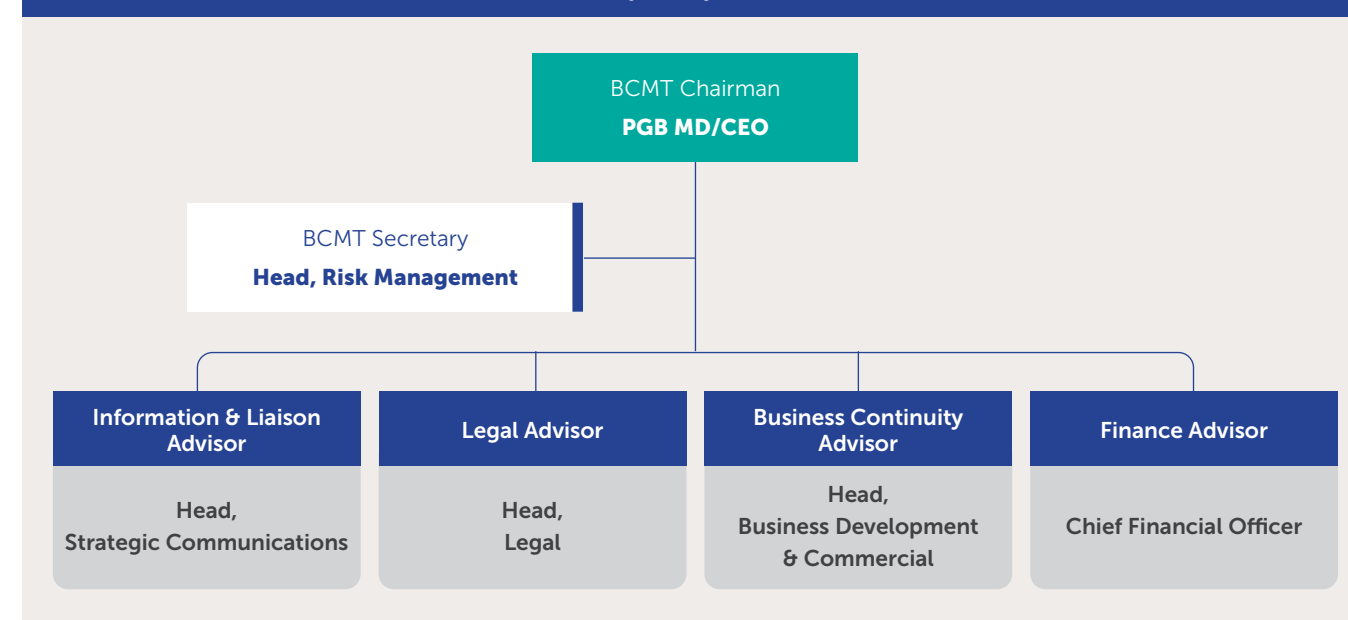
The Group has in place of Gas and Utilities supply Business Continuity Plan (BCP) which adopts a three-tiered approach in escalating response which will assist the Group in effectively responding and managing gas and utilities supply disruption. The Group has also formulated BCP in responding to the inaccessibility of PETRONAS Twin Towers where its Head Office operates, to resume its Head Office's critical functions virtually.

RMD provides guidance and reference to ensure compliance to the Group's BCM requirements including capability building whereby assurance and continuous awareness programmes are in place, as part of the overall BCM continual improvement.

During the year under review, the Group performed Emergency, Crisis and Business Continuity testing and exercises to ensure preparedness and readiness in facing business disruption, as well as to ascertain the effectiveness and robustness of response and recovery strategies. From the testing and exercise, findings and gaps were registered for further improvement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PGB BUSINESS CONTINUITY MANAGEMENT TEAM (BCMT) ORGANISATION CHART



INTERNAL AUDIT FUNCTION

The Board recognises that the internal audit function is an integral part of the Group's corporate governance.

The internal audit function was undertaken by the PGB Internal Audit (PGB IA) in providing independent, objective assurance and consulting activities on the Governance, Risk and Controls of the Group.

This practice is in line with the requirement of Bursa Malaysia, Malaysia Code of Corporate Governance (MCCG) and the International Professional Practice Framework (IPPF) issued by the Institute of Internal Auditors.

In demonstrating independency, objectivity, impartiality, proficiency, and professional due care:

- PGB IA reports functionally to the BAC and reports administratively to the MD/CEO of the Group;
- The internal audit processes and activities are guided by the approved Internal Audit Charter which outlined the purpose, authority, responsibilities and limitations of in-house internal audit function, and aligned with the IPPF.
- Reference is also made to the internal control framework issued by the Committee of Sponsoring Organisation (COSO) in evaluating the state of the Group's internal control. COSO is an internationally recognised organisation providing guidance on internal control, enterprise risk management and governance. Based on the COSO Framework, all aspects of controls are given emphasis in order to ensure risk is well managed and mitigated.

During the year under review, PGB IA undertook the execution of 24 audit engagements which has included ad hoc assignments to accommodate emerging requirements. In addition to the audit engagements, 5 Analytical Assessments and 1 Continuous Auditing exercise were completed as part of the PGB IAs Digital Transformation and Journey.

PGB IA reviews the governance, risk management and internal controls of the Group key activities based on risk-based 3-Years Rolling Strategic Plan which was presented and approved by the BAC. The BAC reviews PGB IA audit reports which include opinions on the adequacy and effectiveness of the Group's governance, risk management and internal controls, root cause and recommended corrective actions to be undertaken by the Management. The progress of PGB IA activities including the status of corrective action closure based on internal audit findings were reported to the BAC on a quarterly basis.

In 2024, PGB IA is staffed by 17 individuals with relevant experience and qualifications. PGB IA is headed by Hardi Hazizie A Hamid with 24 years in PETRONAS, out of which 12 years were in Internal Audit.

The key activities of the internal audit function and audit competencies are set out in the BAC Report on pages 124 to 135 of this Integrated Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OTHER SIGNIFICANT ELEMENTS OF INTERNAL CONTROL SYSTEM

The other significant elements of the Group's internal control system are tabulated below.

a) Board

The Board meets at least once a quarter, in order to maintain its full and effective supervision on the overall governance of the Group. The MD/CEO leads the presentation of Board Papers and provides comprehensive explanations on pertinent issues. In arriving at any decisions, based on recommendations by the Management, thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is updated on the Group's activities and its operations on a regular basis.

The Board reviews all significant issues arising from changes in the business environment, which may result in significant risks to the Group. The Chief Financial Officer (CFO), Head of HSE & Business Excellence, Head of Risk Management and Head of HSE & Sustainability provide the Board with the Group's quarterly performance report.

Where areas for improvement in the system are identified, the Board will consider the views and recommendations made by the BAC, BSRC and Management.

b) Organisation Structure

An organisational structure which defines the formal lines of responsibility and delegation of authority is in place to assist in implementing the Group's strategies and day-to-day business operations. A process of hierarchical reporting has been established and it provides the Group with a documented and auditable trail of accountability.

The Group's organisational structure is set out on page 82 of this Integrated Report.

PGB LT serves as an advisory to PGB MD/CEO in accomplishing the vision, mission, strategies and objectives set for the Group. Additionally, the Business Divisions' PLT provide operational directions and manage operational matters at the respective divisions. Various functional committees have also been established across the Group to ensure the Group's activities, major projects and operations are properly aligned towards achieving the organisation's objectives and targets.

c) Limits of Authority

A documented Limits of Authority (LOA) with clear lines of accountability and responsibility serves as a tool of reference to identify the appropriate approving authority at various levels of management including matters that require the Board's approval.

A full review of LOA is undertaken every five years and realignment of LOA is performed to cater for a change in the organisational structure to ensure effective decision making. During the year under review, the Group has completed a revision exercise for its LOA to align with business requirement and further enhance its internal controls. The revised LOA of PGB was approved on 27 November 2024 and subsequently implemented effective 1 January 2025. Both subsidiaries, PLNG2 and RGTSU also completed full review and revised the LOA during the year. Approval was granted on 3 and 12 December 2024 respectively with effective date 1 January 2025.

d) Management System

The Group implements Operational Excellence Management System (OEMS) which serves as a one-stop-center for all systems and requirements, with a built-in self-assurance process. It incorporates best practices, continual improvement cycles and embeds mandatory requirements into day-to-day work practices which are translated into four levels of structured document (Policy, Requirements, Procedures and Records). The Group leverages on internal governance processes that ensure disciplined execution at all levels by complying with the PETRONAS Assurance Standard (PAS). PAS adhere to ISO standards such as IAO9001 for Quality Management System which promotes integrated assurance in PETRONAS encompassing three line of assurance, where it is a structured and effective approach to governance, risk management and internal controls. In addition to the documents and self-assurance, the Group is governed by PETRONAS Business Process Management (BPM) guidelines in the day-to-day operation and maintenance work process to enhance business process efficiency and clarity on roles, responsibilities and competencies. The Group evaluates the effectiveness of overall OEMS key areas through its annual Management System Review (MSR). A comprehensive MSR has been conducted for the year where areas of improvement and appropriate action items were identified.

e) Tendering and Procurement

All tendering exercises were deliberated at the respective Tender Committees of PETRONAS Group. Leveraging the Tender Committees, the appropriate level of responsibility is in place to govern the tendering activities. Subsequent to the review by the relevant Tender Committees, the award recommendation will be subject to approval by the relevant approving authority which is independent of the Tender Committee. Tenders are called for and are awarded based on factors such as technical and financial capability, quality, HSSE, performance track record, schedule and cost.

f) Business Plan and Budget

Budgets are an important control mechanism used by the Group to ensure an optimum allocation of Group resources and to sufficiently guide operational managers in making business decisions. The Group undertakes a comprehensive annual planning and budgeting exercise which includes

the development of business plans for a five-year period and establishment of key performance indicators against which the overall performance of the Group, including the respective performance of business segments and companies within the Group, are evaluated.

The plans and budget including detailed operating and capital expenditure requirements are deliberated and approved by the Board. Additional budget requirements are managed through budget transfer or supplementary budget, to be approved by the relevant approving authority in accordance with the Limits of Authority.

The Group's performances are monitored, analysed and reported internally on a monthly basis to the PGB LT. Additionally, the Group's quarterly performances are also presented to the BAC and Board with comparison to approved plans as well as against prior periods. Any mitigating measures are deliberated at PGB LT, BAC and Board respectively and executed where necessary.

g) Financial Reporting Controls

The Group has adopted PETRONAS Financial Reporting Controls (FRC) Assurance in 2021 with the principal objective of enhancing the quality and integrity of the Group's financial reports through a structured process of ensuring the adequacy and effectiveness of key internal controls operating at various levels within the Group at all times. FRC requires among others, documentation of key controls, remediation of control gaps as well as regular testing of control operating effectiveness.

FRC Assurance adopts the three lines of assurance model as outlined in the PETRONAS Assurance Framework (PAF) whereby each line of assurance will be responsible and accountable for providing assurance and oversight on the effectiveness of Financial Reporting Controls to management and the Board.

FRC is supported by FRC Assurance Guideline which provides an overarching governing document that is intended to provide a standardised reference with structured and consistent approach in managing the assurance for financial reporting controls in PETRONAS Group.

The Group has embarked on an integrated assurance system as part of FRC assurance implementation.

On annual basis, each key process owner at various Management levels is required to complete self-assurance functional checklists and provide confirmation of compliance to key controls for the areas of the business for which they are accountable and a Letter of Assurance is submitted on an annual basis.

Subsequently, the MD/CEO and CFO provide overall assurance to the Board on the adequacy and effectiveness of key internal controls of the Group.

During the year under review, the Group also performed FRCs to the joint venture companies, namely Kimanis Power Sdn. Bhd. and Pengerang Gas Solutions Sdn. Bhd.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

h) Digital, Information and Communication Technology

The Group leverages on Digital & Information and Communication Technology (ICT) as the key enabler to efficiently gather key business information in providing useful insights to facilitate timely decision making and enhance productivity. The Group adheres to PETRONAS Group's digital policies and establish its own strategy and roadmap which align with the Group strategy and roadmap. In addition, the Group aligns to the established internal control for Decision Support Package (DSP) and Value Creation Framework to govern both internal and groupwide implementation of Digital & ICT initiatives. Internal Digital & ICT audit and system reviews are conducted periodically to ensure compliance with PETRONAS Group policies and internal procedures.



Cybersecurity

As the Group transforms itself into a data-driven organisation, cybersecurity threats may be amplified; hence it has been identified as one of the Group's principal risks adopting PETRONAS Enterprise Cyber Security Governance Framework (ECSGF) to provide the assurance that the existing infrastructure and applications are operated securely while its vulnerabilities are mitigated and remained as low as reasonably possible. This framework ensures clear accountability and adherence to internationally recognised best practices, including the NIST Cybersecurity Framework (NIST CSF), ISO 27001, ISA/IEC 62443, ISF-IRAM 2, and NIST 800-30. Through the implementation of robust cybersecurity and data privacy policies, coupled with purpose-fit technologies that strengthen our security posture, we proactively mitigate risks to data integrity and cyber resilience. These efforts not only protect our business but also reinforce our reputation as a progressive and trustworthy organisation, safeguarding the confidence of our stakeholders.

On 26 August 2024, Malaysia's Cyber Security Act 2024 and its four subsidiary regulations came into force, aiming to fortify the nation's cyber defences and enhance resilience against emerging threats.

With PETRONAS appointed as a lead for the Energy sector to identify National Critical Information Infrastructure (NCII) entities and develop a sector-specific Code of Practice (CoP), we are fully prepared to collaborate with PETRONAS Group Cyber Security to ensure successful implementation and seamless compliance with the Act's requirements.

Meanwhile, we are also proactively driving PGB-wide digital transformation and adopting state-of-the-art cybersecurity technologies to ensure robust protection for critical data and systems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

i) Related Party Transactions and Conflict of Interest

Guidelines and Procedures on Related Party Transactions (RPTs) and Conflict of Interest (COI) Situations (collectively, the Guideline) have been established within the Group to promote continuous awareness and provide consistent approach to all RPTs and Recurrent Related Party Transactions (RRPTs) or COI situations.

The Guideline requires the use of various processes to ensure that RPTs/RRPTs are conducted on arm's length basis, normal commercial terms, and are not to the detriment of the Group's minority shareholders. It aims to provide guidelines under which certain transactions and situations must be reviewed and endorsed by the various governing parties of the Group and/or disclosed to the regulators and governing bodies.

It also prescribes the processes required to identify, evaluate, approve, monitor and report RPTs/RRPTs as well as manage COI. Such processes include identification and screening of transactions, negotiation of transaction and approval/mandate mechanism, monitoring and reporting principles, and renewal or changes in the terms or termination of such dealings. In principle, the Guideline sets forth the following:

- If a Director or a related party has an interest in a transaction, he or she will abstain from any deliberation and decision making at the Board of PGB or subsidiaries (as the case may be) in respect of such transaction.
- On annual basis, all Directors and any related party of the Group will declare in written form, designed to elicit information about current/potential relationships and/or COI situations, involving their interest, either directly or indirectly, to the Company Secretary. They are also required to notify the Company Secretary at Board or Board Committee meetings, whichever is relevant, of any interest in RPTs or COI situations when they are made known to them immediately. All reported RPTs and COI situations including the measures taken to resolve, eliminate or mitigate such conflicts will be reviewed by the Board Audit Committee and the same will be reported to the Board in accordance with Paragraph 15.12 of the MMLR of Bursa Malaysia.

COI may arise in a situation where:

- 1 The Director has interest in a business that competes or is likely to compete, either directly or indirectly, with the business of the Group; or
- 2 There is no competing interest in the business, but the Director derives or receives commission or fees by virtue of him providing consultancy or advisory services to the transacting party having business with the Group; or
- 3 Where the Director conducts or has interest in business transactions involving goods or services, either directly or indirectly, with the Group; or
- 4 Where the Director provides or receive financial assistance from the Group.

- As per the Guideline, RPTs/RRPTs will be reviewed by the BAC for the BAC's endorsement of the transaction. Such transactions are then approved by the relevant approving authority as prescribed in the Group's LOA. For RRPT, no endorsement from BAC is required if the approving authority is not at Board/Shareholders' level. However, such RRPT will be reported on quarterly basis to BAC. Furthermore, the Directors are required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened.
- All transactions within PETRONAS Group shall be based on market, industry or negotiated pricing formulas and the terms are not more favourable to the related party than those generally applied to a third party, in order to ensure that the transactions are on an arm's length basis.
- Where possible, benchmarking is conducted on the prices of similar services/product available in the market.
- The Board has the overall responsibility to ensure compliance to the established Guidelines to approve and monitor RPTs/RRPTs and COI situations. The Board and/or BAC may also appoint individuals and committees to examine the RPTs/RRPTs, as deemed appropriate.
- Bursa Malaysia has granted PGB exemptions and various waivers from complying with the requirements of the MMLR of Bursa Malaysia from having to seek shareholders' mandate for RRPT with PETRONAS and their Group of Companies. The exemption essentially states that the exempted RRPTs must be transacted on an arm's length basis.
- A database is maintained to capture the list of related parties and RPTs/RRPTs which have been entered into.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

m) Succession Planning

The Group has adopted the PETRONAS Top Talent Management Value Chain for Succession Planning process to enable the matching of the right talents to the right positions for breakthrough performance. The process starts with the identification of critical positions at business and corporate levels. The Group is committed to develop Succession Planning for selected positions, namely as below but not limited to:

- Corporate Critical Positions
- Business Critical Positions
- Technical and Non-Technical Manager Positions
- Technical Specialist qualified leaders
- Growth Critical Positions
- HSE Critical Positions
- Positions that required "Certification of Competency (COC)"

This exercise is crucial in managing talents within the Group and from other PETRONAS Operating Units. The Succession Planning information will then facilitate the Management in deliberating and charting staff's development plan and career progression including mobility internally within the Group or across businesses within PETRONAS Group for wider exposure as well as capability gap closure through an identified development plan and related assessment.

n) Leadership Development

The Group acknowledges the importance of Leadership Development in preparing a pipeline of competent leaders to meet both current and future organisational needs. Our Leadership Development initiatives are designed to enhance and elevate leadership capabilities across all levels of the workforce. Anchored by the PETRONAS Capability Development Framework, these programmes integrate diverse development approaches, which include virtual and in-person training sessions, on-job-learnings and mentoring, to provide relevant leadership exposure.

We also prioritise the timely development of high-potential employees through fit-for-purpose leadership development programmes, nurturing them to become the organisation's future senior leaders.

Additionally, the PETRONAS Leadership EDGE Competencies and PETRONAS Cultural Beliefs is a guide for employees to lead themselves, lead teams and lead the business and promoting deeper alignment with organisational values.

During the year under review, the BAC is satisfied that all the RPTs/RRPTs were fairly concluded on prevailing market rate/prices, had been carried out at arm's length basis and normal commercial terms/conditions, applicable industry norms and not detrimental to the interests of PGB and its minority shareholders. There was no other COI situation that had arisen which required the assessment from the BAC.

j) Human Resource Policies and Procedures

The Group's Human Resource (HR) policies are aligned with the PETRONAS policies and procedures on all areas of human resources. This is to ensure that the Group practices best in class HR policies and procedures for Human Capital Management. The HR policies and procedures that are adopted by the Group include Strategic Workforce Planning, Organisation Design & Job Management, Talent Acquisition, Capability Management, Succession Planning, Leadership Development, People Development, Employee Performance Management, Total Rewards, Employee Relations and Industrial Relations.

k) Employee Performance Management

To maintain the Group as a high performing organisation, the Group consistently strengthens its Employee Performance Management implementation. A systematic evaluation of staff's performance has been established where performance is assessed against established indicators, reviewed periodically during the performance cycle with regular and structured interactions between staff and manager. We also ensure fairness and transparency through an objective performance appraisal process and a structured grievance mechanism for employees to voice their concerns on the performance management.

l) Capability Development

The Group has a structured capability development framework and processes that cater for both technical and non-technical employee groups; covering from non-executive level up to the senior management level. Capability development in the organisation is a combination of classroom and online learning, coaching, on-the-job learning and competency assessment. Periodic competency assessment is conducted to measure staff competency level against set standards ranging from Technical Know How (TKH), leadership (EDGE) & behavioural competency. The assessment is conducted through Superior Managed Assessment (SMA) for Executive position and PETRONAS Competency Assessment Scheme (PECAS) for Non-Executive position. Key capability development efforts and performance are reported on a quarterly basis at the Capability Development Working Committee (CDWC) and People Development Committee (PDC) for seamless staff development. Conversation with superiors also is crucial for staff to pinpoint areas that require attention, ensuring prompt resolution and demonstrating proficiency in job performance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

o) Code of Conduct and Business Ethics

The Group adopts and practices PETRONAS Code of Conduct and Business Ethics (CoBE). The CoBE, which is accessible to the public for reference on the Group's official website at www.petronas.com/pgb, places significant importance in upholding the principle of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and wellbeing of the Group. The CoBE detailed policy statements on the standards of behaviour and ethical conduct expected of each individual to whom the CoBE applies. The Group also expects that contractors, sub-contractors, consultants, agents and representatives and others performing work or services for or on behalf of the Group to always act consistently with the relevant parts of the CoBE when performing such work or services. The CoBE expressly prohibits improper solicitation, bribery and other corrupt activity ("the activities") not only by employees and directors but also by third parties performing work or services for or on behalf of the PETRONAS Group.

In ensuring Zero Tolerance to the activities, the Group adopts the PETRONAS Anti-Bribery and Corruption (ABC) Manual which governs the prevention of corruption and unethical practices within the Group. The ABC Manual sets forth the policy statement and guidelines on how to deal with improper solicitation, bribery, and other corrupt activities and issues that may arise in the course of business.

p) Whistleblowing Policy

The Group has adopted the PETRONAS Whistleblowing Policy (WBP) which provides an avenue for employees and members of the public to disclose any improper conduct committed or about to be committed in accordance with the procedures as provided under the policy. The WBP is accessible to the public for reference on the Group's official website at www.petronas.com/pgb.

Under the policy, a whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. An employee who whistle blows internally will also be protected against any adverse and detrimental action for disclosing any improper conduct within the Group, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistle blower is mistaken as to the facts and the rules and procedures involved.

The policy also states that any anonymous disclosure will not be entertained. Employees or members of the public who wish to report improper conduct are required to disclose their identity to the Group to receive the necessary protection. However, the Group reserves the right to investigate any anonymous disclosure. Upon completion of the whistleblowing process and procedures, the whistleblower will be notified of the outcome of the disclosure.

q) PETRONAS Raid Protocol

The Group's policies are aligned to the PETRONAS Raid Protocol in ensuring appropriate manner in handling interaction with, and submission of information and data to the authorities in the event that raids are carried out within the premises of Group's offices worldwide. It is an internal procedure in response to the scope and powers of the authorities under relevant laws and various jurisdictions.

r) Human Rights Commitment

The Group embraces PETRONAS' Human Rights Commitment, which is made available on the Group's website at www.petronas.com/pgb, and is committed to uphold internationally recognised human rights in areas of its operations, complying with its Code of Conduct and Business Ethics, and all relevant legal requirements.

The Group subscribes to PETRONAS Social Performance Framework. The introduction of this framework covers the supply chain, community well-being, labour and working conditions for contractors, and third party security which will strengthen the commitment of social responsibility. The Group is working closely with Group HSE (GHSE) to increase the human rights awareness across the organisation.

Meanwhile, the Group is vigilant to ensure all projects will comply not only with the safety and environmental requirements, but also with the social dimensions. Prior to any development of projects, social impact assessment will be conducted as part of the Environmental Impact Assessment process under the jurisdiction of the Department of Environment. Aspects and matters arising from community health (dust, noise pollution), safety (construction debris, traffic flow prone to accidents), community sensitivities (cultural heritage, relocation of local's important socio elements – pre-historical buildings etc.) are aptly addressed. Stakeholder engagements were carried out with the local communities to reach a mutual level of understanding that benefits both sides without any prejudicial implication to the latter.

s) Corporate Disclosure Guide

The Group has established an Internal Corporate Disclosure Guide to facilitate the disclosure and conduct on the dissemination of information. This Guide is based on the requirements as set out in the MMLR, the Corporate Disclosure Guide by Bursa Malaysia and promotes transparency and accountability. In the communication and dissemination of material information amongst the Group organisation and public. A detailed guide is available at www.petronas.com/pgb.

t) Corporate Privacy Policy

In addition, the Group also adopts the PETRONAS Corporate Privacy Policy (PCPP) and PETRONAS Master Guidelines to the PCPP (collectively, "PCPP Documents") which outlines the principles and guidelines for the collection, use, processing and storage of personal data. These PCPP Documents take into account the core principles and best practices based on personal data protection and privacy laws of relevant jurisdictions including the Malaysian Personal Data Protection Act 2010 (PDPA) and the European Union's General Data Protection Regulation (GDPR). The PCPP applies to the Group's employees and third-party service providers who handle personal data on behalf of the Group. The PCPP requires that personal data is collected and processed in a fair and lawful manner, and that individuals are informed of the purpose of the collection and their rights regarding their personal data. The policy also requires that appropriate security measures are in place to protect personal data from unauthorized access, disclosure, or misuse.

u) Insurance

The Group has in place and maintains at all times relevant insurance/Takaful policies/contracts and have coverage which are industry standard as are customarily taken out and maintained by other companies in the same industry. Insurances are subscribed to with advice by PETRONAS Group Insurance, ensuring appropriate covers are in place and leveraging on common policies across PETRONAS Group, where applicable.

MANAGEMENT ROLE

Management is accountable to the Board for the implementation of the processes in identifying, evaluating, monitoring and reporting of risks and internal control as prescribed above. The MD/CEO and CFO have provided the Board with assurance that the Group risk management and internal control system is operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives. In providing the above assurance by MD/CEO and the CFO, similar letters of assurance have also been obtained from PGB LT Members confirming the adequacy and effectiveness of risk management practice and internal control systems within their respective areas.

WEAKNESSES IN RISK MANAGEMENT AND INTERNAL CONTROL THAT RESULT IN MATERIAL LOSSES

There were no material losses incurred during the year as a result of weaknesses in risk management and internal control. The Management continues to take measures to strengthen the control environment and monitor the risk management and internal control framework. Accordingly, the Board is satisfied that the Group's risk management and internal control system is adequate and effective.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL IN SUBSIDIARIES AND MATERIAL JOINT VENTURE (JV) COMPANIES AND SUBSIDIARIES

The implementation of the relevant risk management and internal control systems at the Group's subsidiaries and material JV companies is in place.

REVIEW OF THIS STATEMENT

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the Annual Report of the Group for the year ended 31 December 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material aspects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 21 February 2025.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company as set out on pages 172 to 256, are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended.

The Directors consider that in preparing the financial statements of the Group and of the Company:

- appropriate accounting policies have been used and consistently applied;
- reasonable and prudent judgements and estimates were made;
- all Financial Reporting Standards and the Malaysian Companies Act 2016 have been followed; and
- are prepared on a going concern basis.

The Directors are responsible for ensuring that the accounting and other records and registers required by the Malaysian Companies Act 2016 to be retained by the Company and its subsidiaries have been properly kept in accordance with the provisions of the said Act.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

DIRECTORS' REPORT

for the year ended 31 December 2024

DIRECTORS' REPORT

for the year ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remained unchanged and consist of separating natural gas into its components and storing, transporting and distributing such components thereof for a fee and the sale of industrial utilities.

The principal activities of subsidiaries, joint ventures and associate are stated in Note 34, 35 and 36 to the financial statements respectively.

HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 34 to the financial statements.

RESULTS

In RM'000	Group	Company
Profit for the year	1,923,648	1,802,005
Attributable to:		
Shareholders of the Company	1,836,339	1,802,005
Non-controlling interests	87,309	—

DIVIDENDS

During the financial year, the amount of dividends paid by the Company were as follows:

- i. In respect of the financial year ended 31 December 2023 as reported in the Directors' Report of that year, a fourth interim dividend of 22 sen per ordinary share amounting to RM435,321,000 declared on 27 February 2024 and paid on 25 March 2024; and
- ii. In respect of the financial year ended 31 December 2024:
 - a first interim dividend of 16 sen per ordinary share amounting to RM316,597,000 declared on 29 May 2024 and paid on 27 June 2024;
 - a second interim dividend of 16 sen per ordinary share amounting to RM316,597,000 declared on 20 August 2024 and paid on 19 September 2024; and
 - a third interim dividend of 18 sen per ordinary share amounting to RM356,172,000 declared on 27 November 2024 and paid on 24 December 2024.

DIVIDENDS (continued)

The Directors had on 21 February 2025 declared a fourth interim dividend of 22 sen per ordinary share amounting to RM435,321,000 in respect of the financial year ended 31 December 2024. The financial statements for the current financial year do not reflect these declared interim dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2025.

Further details on dividends are disclosed in Note 24 to the financial statements.

RESERVES AND PROVISIONS

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

DIRECTORS

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

Datuk Adif bin Zulkifli (Chairman) (appointed on 20 August 2024)
 Abdul Aziz bin Othman
 Farina binti Farikhullah Khan
 Datuk Yeow Kian Chai
 Datuk Mark Victor Rozario
 Sujit Singh Parhar s/o Sukhdev Singh
 Hasliza binti Othman
 Marina binti Md Taib
 Adnan bin Zainol Abidin (resigned on 20 August 2024)

In accordance with Article 107 of the Company's Constitution, Farina binti Farikhullah Khan will retire by rotation from the Board at the forthcoming Annual General Meeting ("AGM"), and being eligible, offers herself for re-election. Additionally, in accordance with Article 107 of the Company's Constitution, Datuk Yeow Kian Chai will retire by rotation from the Board at the forthcoming AGM and has expressed his intention not to seek re-election. Datuk Yeow Kian Chai will retire from office upon the conclusion of the 42nd AGM of the Company.

In accordance with Article 100 of the Company's Constitution, Datuk Adif bin Zulkifli who was appointed to fill casual vacancy on the Board, will retire at the forthcoming AGM, and being eligible, offers himself for re-election.

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

The names of Directors of subsidiaries are available on the Company's corporate website and the Board deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

DIRECTORS' REPORT

for the year ended 31 December 2024

DIRECTORS' INTERESTS

The Directors in office at the end of the year who have interests and deemed interests in the shares of the Company and of its related corporations other than wholly-owned subsidiaries as recorded in the Register of Directors' Shareholdings are as follows:

Name	Number of ordinary shares in the Company			Balance at 31.12.2024
	Balance at 1.1.2024	Bought	Sold	
Datuk Yeow Kian Chai	3,000	—	—	3,000

Name	Number of ordinary shares in PETRONAS Chemicals Group Berhad			Balance at 31.12.2024
	Balance at 1.1.2024	Bought	Sold	
Abdul Aziz bin Othman	6,000	—	—	6,000
Marina binti Md Taib	1,000	—	—	1,000

Name	Number of ordinary shares in PETRONAS Dagangan Berhad			Balance at 31.12.2024
	Balance at 1.1.2024	Bought	Sold	
Datuk Yeow Kian Chai	3,000	—	—	3,000

None of the other Directors holding office at 31 December 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

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

The directors' benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2024 was RM3,582,000 comprising fees and other short-term employee benefits.

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

ISSUE OF SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries (hereinafter referred to as "PETRONAS Group"), including the Company, maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of PETRONAS Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Group and the Company is RM21,851 and RM19,851 respectively.

OTHER STATUTORY INFORMATION

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

- (i) that necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that there are no bad debts to be written off and adequate provision made for doubtful debts, and
- (ii) that any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

for the year ended 31 December 2024

AUDITORS

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

The auditors' remuneration for the financial year ended 31 December 2024 is as follows:

In RM'000	Group	Company
Audit fees	608	365
Non-audit service fee	88	13

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

.....
Datuk Adif bin Zulkifli
Chairman

.....
Abdul Aziz bin Othman
Director

Kuala Lumpur,
Date: 21 February 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 172 to 256, are drawn up in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended on that date.

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

Datuk Adif bin Zulkifli
Chairman

Abdul Aziz bin Othman
Director

Kuala Lumpur,
Date: 21 February 2025

STATUTORY DECLARATION

I, **Shahrul Azham bin Sukaiman**, the officer primarily responsible for the financial management of **PETRONAS GAS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 172 to 256 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Shahrul Azham bin Sukaiman
at **Kuala Lumpur** in **Wilayah Persekutuan**
on 21 February 2025.

BEFORE ME:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

In RM'000	Note	2024	2023
ASSETS			
Property, plant and equipment	3	13,915,875	13,630,499
Investments in joint ventures	5	939,805	833,584
Investments in associate	6	209,783	186,519
Long-term receivable	7	2,000	69,416
Deferred tax assets	9	31,438	86,051
TOTAL NON-CURRENT ASSETS		15,098,901	14,806,069
Trade and other inventories	10	35,986	38,670
Trade and other receivables	11	961,499	926,633
Tax recoverable		62,568	19,963
Cash and cash equivalents	12	2,595,705	3,527,943
TOTAL CURRENT ASSETS		3,655,758	4,513,209
TOTAL ASSETS		18,754,659	19,319,278
EQUITY			
Share capital	13	3,165,204	3,165,204
Reserves	14	10,783,219	10,389,858
Total equity attributable to the shareholders of the Company		13,948,423	13,555,062
Non-controlling interests	15	290,330	260,088
TOTAL EQUITY		14,238,753	13,815,150
LIABILITIES			
Borrowings	16	1,712,736	1,859,186
Deferred tax liabilities	9	1,231,294	1,202,035
Provisions	17	33,588	32,209
Deferred income	18	18,046	20,032
TOTAL NON-CURRENT LIABILITIES		2,995,664	3,113,462
Trade and other payables	19	1,385,576	1,097,383
Borrowings	16	134,666	1,293,283
TOTAL CURRENT LIABILITIES		1,520,242	2,390,666
TOTAL LIABILITIES		4,515,906	5,504,128
TOTAL EQUITY AND LIABILITIES		18,754,659	19,319,278

The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

In RM'000	Note	2024	2023
Revenue	20	6,538,245	6,445,423
Cost of revenue		(4,260,902)	(4,158,416)
Gross profit		2,277,343	2,287,007
Administration expenses		(145,945)	(131,123)
Other expenses		(2,956)	(55,176)
Other income		174,509	172,980
Operating profit	21	2,302,951	2,273,688
Financing costs	22	(89,893)	(126,757)
Share of profit after tax of equity-accounted joint ventures and associate		147,288	239,084
Profit before taxation		2,360,346	2,386,015
Tax expense	23	(436,698)	(484,976)
PROFIT FOR THE YEAR		1,923,648	1,901,039
Profit attributable to:			
Shareholders of the Company		1,836,339	1,819,600
Non-controlling interests	15	87,309	81,439
PROFIT FOR THE YEAR		1,923,648	1,901,039
Basic and diluted earnings per ordinary share (sen)	25	92.8	92.0

The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

In RM'000	Note	2024	2023
Profit for the year		1,923,648	1,901,039
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net movements from exchange differences		(10,465)	11,662
Share of cash flow hedge of an equity-accounted joint venture		(7,826)	404
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,905,357	1,913,105
Total comprehensive income attributable to:			
Shareholders of the Company		1,818,048	1,831,666
Non-controlling interests		87,309	81,439
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,905,357	1,913,105

The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

In RM'000	Note	Attributable to shareholders of the Company			
		Non-distributable			
		Share Capital	Capital Reserve	Foreign Currency Translation Reserve	Hedging Reserve
Balance at 1 January 2024		3,165,204	520,801	46,321	35,523
Net movements from exchange differences		—	—	(10,465)	—
Share of cash flow hedge of an equity-accounted joint venture		—	—	—	(7,826)
Profit for the year		—	—	—	—
Total comprehensive income for the year		—	—	(10,465)	(7,826)
Issuance of shares to a non-controlling interest		—	—	—	—
Dividends - 31.12.2023 interim	24	—	—	—	—
Dividends - 31.12.2024 interim	24	—	—	—	—
Total transactions with owners of the Group		—	—	—	—
Balance at 31 December 2024		3,165,204	520,801	35,856	27,697

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The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

In RM'000	Note	Attributable to shareholders of the Company			
		Distributable		Non-controlling Interests	Total Equity
		Retained Profits	Total		
Balance at 1 January 2024		9,787,213	13,555,062	260,088	13,815,150
Net movements from exchange differences		—	(10,465)	—	(10,465)
Share of cash flow hedge of an equity-accounted joint venture		—	(7,826)	—	(7,826)
Profit for the year		1,836,339	1,836,339	87,309	1,923,648
Total comprehensive income for the year		1,836,339	1,818,048	87,309	1,905,357
Issuance of shares to a non-controlling interest		—	—	2,135	2,135
Dividends - 31.12.2023 interim	24	(435,321)	(435,321)	—	(435,321)
Dividends - 31.12.2024 interim	24	(989,366)	(989,366)	(59,202)	(1,048,568)
Total transactions with owners of the Group		(1,424,687)	(1,424,687)	(57,067)	(1,481,754)
Balance at 31 December 2024		10,198,865	13,948,423	290,330	14,238,753

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The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

In RM'000	Note	Attributable to shareholders of the Company			
		Non-distributable			Hedging Reserve
		Share Capital	Capital Reserve	Foreign Currency Translation Reserve	
Balance at 1 January 2023		3,165,204	520,801	34,659	35,119
Net movements from exchange differences		—	—	11,662	—
Share of cash flow hedge of an equity-accounted joint venture		—	—	—	404
Profit for the year		—	—	—	—
Total comprehensive income for the year		—	—	11,662	404
Changes in ownership interest in a subsidiary		—	—	—	—
Issuance of shares to a non-controlling interest		—	—	—	—
Redemption of redeemable preference shares in a subsidiary		—	—	—	—
Dividends - 31.12.2022 interim	24	—	—	—	—
Dividends - 31.12.2023 interim	24	—	—	—	—
Total transactions with owners of the Group		—	—	—	—
Balance at 31 December 2023		3,165,204	520,801	46,321	35,523

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The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

In RM'000	Note	Attributable to shareholders of the Company		Non-controlling Interests	Total Equity
		Retained Profits	Total		
Balance at 1 January 2023		9,392,300	13,148,083	261,758	13,409,841
Net movements from exchange differences		—	11,662	—	11,662
Share of cash flow hedge of an equity-accounted joint venture		—	404	—	404
Profit for the year		1,819,600	1,819,600	81,439	1,901,039
Total comprehensive income for the year		1,819,600	1,831,666	81,439	1,913,105
Changes in ownership interest in a subsidiary		—	—	2	2
Issuance of shares to a non-controlling interest		—	—	2,587	2,587
Redemption of redeemable preference shares in a subsidiary		—	—	(5,556)	(5,556)
Dividends - 31.12.2022 interim	24	(435,321)	(435,321)	—	(435,321)
Dividends - 31.12.2023 interim	24	(989,366)	(989,366)	(80,142)	(1,069,508)
Total transactions with owners of the Group		(1,424,687)	(1,424,687)	(83,109)	(1,507,796)
Balance at 31 December 2023		9,787,213	13,555,062	260,088	13,815,150

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The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

In RM'000	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,360,346	2,386,015
Adjustments for:			
Depreciation and amortisation	3	1,173,228	1,141,399
Share of profit after tax of equity-accounted joint ventures and associate		(147,288)	(239,084)
Unrealised (gain)/loss on foreign exchange	21	(12,310)	21,993
Profit from fund investment	21	(117,399)	(139,586)
Interest income from term loan due from a joint venture	21	(5,968)	(9,584)
Financing costs	22	89,893	126,757
Other non-cash items		(996)	11,717
Operating profit before changes in working capital		3,339,506	3,299,627
Change in trade and other receivables		(25,844)	59,357
Change in trade and other inventories		(11,949)	(4,585)
Change in trade and other payables		116,318	(58,176)
Cash generated from operations		3,418,031	3,296,223
Profit from fund investment		117,399	139,586
Interest income from term loan due from a joint venture		5,968	9,584
Taxation paid		(395,431)	(440,306)
Net cash generated from operating activities		3,145,967	3,005,087
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures and associate		68,512	173,530
Investment in a joint venture		(69,000)	—
Repayment of term loan due from a joint venture		50,455	54,466
Proceeds from partial disposal of investment in a subsidiary		—	2
Proceeds from disposal of property, plant and equipment*		20,206	8,954
Purchase of property, plant and equipment		(1,269,344)	(1,167,246)
Net cash used in investing activities		(1,199,171)	(930,294)

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* Comprises of proceeds on disposal of land amounting to RM19,082,000 (2023: RM2,632,000).

The notes set out on pages 185 to 256 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

In RM'000	Note	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders of the Company	24	(1,424,687)	(1,424,687)
Dividends paid to non-controlling interests		(59,202)	(80,142)
Drawdown of Islamic financing facility	16	—	303,600
Payment of lease liabilities	16	(14,016)	(1,094,739)
Repayment of Islamic financing facility	16	(1,281,000)	(105,000)
Financing costs paid	16	(102,264)	(169,157)
Payment to non-controlling interests on redemption of shares		—	(5,556)
Proceeds from shares issued to a non-controlling interest		2,135	2,587
Net cash used in financing activities		(2,879,034)	(2,573,094)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(932,238)	(498,301)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		3,527,943	4,026,244
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	2,595,705	3,527,943

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Total cash outflows for leases during the year comprise repayment of lease liabilities and related interests totalling RM61,600,000 (2023: RM1,176,618,000).

Included in the Group's cash and cash equivalents are deposit of RM19,819,000 (2023: RM23,927,000) in a finance service reserve account being designated as security and a fixed balance amounting to RM30,000 (2023: RM30,000) in a trustee reimbursable account in relation to a subsidiary's Islamic financing facility.

The notes set out on pages 185 to 256 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

In RM'000	Note	2024	2023
ASSETS			
Property, plant and equipment	3	9,652,558	9,225,474
Investments in subsidiaries	4	1,775,111	1,861,619
Investments in joint ventures	5	283,059	283,059
Investments in associate	6	76,466	76,466
Long-term receivable	7	—	69,416
TOTAL NON-CURRENT ASSETS		11,787,194	11,516,034
Trade and other inventories	10	31,569	34,481
Trade and other receivables	11	827,963	779,804
Tax recoverable		64,283	21,018
Cash and cash equivalents	12	2,451,008	3,376,925
TOTAL CURRENT ASSETS		3,374,823	4,212,228
TOTAL ASSETS		15,162,017	15,728,262
EQUITY			
Share capital	13	3,165,204	3,165,204
Reserves	14	9,561,751	9,184,433
TOTAL EQUITY		12,726,955	12,349,637
LIABILITIES			
Borrowings	16	6,359	6,481
Deferred tax liabilities	9	1,231,294	1,202,035
Provisions	17	11,686	11,211
Deferred income	18	18,046	20,032
TOTAL NON-CURRENT LIABILITIES		1,267,385	1,239,759
Trade and other payables	19	1,167,562	969,412
Borrowings	16	115	1,169,454
TOTAL CURRENT LIABILITIES		1,167,677	2,138,866
TOTAL LIABILITIES		2,435,062	3,378,625
TOTAL EQUITY AND LIABILITIES		15,162,017	15,728,262

The notes set out on pages 185 to 256 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

In RM'000	Note	2024	2023
Revenue	20	5,184,749	5,094,887
Cost of revenue		(3,506,129)	(3,443,751)
Gross profit		1,678,620	1,651,136
Administration expenses		(141,791)	(126,458)
Other expenses		(11,138)	(7,176)
Other income		652,671	714,349
Operating profit	21	2,178,362	2,231,851
Financing costs	22	(1,010)	(999)
Profit before taxation		2,177,352	2,230,852
Tax expense	23	(375,347)	(428,723)
PROFIT FOR THE YEAR REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,802,005	1,802,129

The notes set out on pages 185 to 256 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

In RM'000	Note	Attributable to shareholders of the Company		
		Non-distributable	Distributable	Total
		Share Capital	Retained Profits	
Balance at 1 January 2024		3,165,204	9,184,433	12,349,637
Profit for the year		—	1,802,005	1,802,005
Total comprehensive income for the year		—	1,802,005	1,802,005
Dividends - 31.12.2023 interim	24	—	(435,321)	(435,321)
Dividends - 31.12.2024 interim	24	—	(989,366)	(989,366)
Total transactions with shareholders of the Company		—	(1,424,687)	(1,424,687)
Balance at 31 December 2024		3,165,204	9,561,751	12,726,955
Balance at 1 January 2023		3,165,204	8,806,991	11,972,195
Profit for the year		—	1,802,129	1,802,129
Total comprehensive income for the year		—	1,802,129	1,802,129
Dividends - 31.12.2022 interim	24	—	(435,321)	(435,321)
Dividends - 31.12.2023 interim	24	—	(989,366)	(989,366)
Total transactions with shareholders of the Company		—	(1,424,687)	(1,424,687)
Balance at 31 December 2023		3,165,204	9,184,433	12,349,637

The notes set out on pages 185 to 256 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

In RM'000	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,177,352	2,230,852
<i>Adjustments for:</i>			
Depreciation and amortisation	3	783,058	758,649
Unrealised loss on foreign exchange	21	3,857	5,537
Profit from fund investment	21	(109,766)	(131,503)
Interest income from term loan due from a joint venture	21	(5,968)	(9,584)
Financing costs	22	1,010	999
Other non-cash items		(6,483)	22,546
Operating profit before changes in working capital		2,843,060	2,877,496
Change in trade and other receivables		(35,476)	21,274
Change in trade and other inventories		(10,199)	(4,259)
Change in trade and other payables		128,722	(96,928)
Cash generated from operations		2,926,107	2,797,583
Dividends received from subsidiaries, joint ventures and associate		(475,965)	(540,488)
Profit from fund investment		109,766	131,503
Interest income from term loan due from a joint venture		5,968	9,584
Taxation paid		(389,353)	(432,836)
Net cash generated from operating activities		2,176,523	1,965,346
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from subsidiaries, joint ventures and associate		475,965	540,488
Increase in investment in subsidiaries	4	(114,792)	(943,281)
Purchase of property, plant and equipment		(1,126,789)	(1,075,610)
Proceeds from disposal of property, plant and equipment*		20,206	8,954
Redemption of preference share in subsidiaries	4	201,300	123,844
Repayment of term loan due from a joint venture		50,455	54,466
Net cash used in investing activities		(493,655)	(1,291,139)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders of Company	24	(1,424,687)	(1,424,687)
Drawdown of Islamic financing facility	16	—	303,600
Payment of lease liabilities	16	(113)	(97)
Repayment of Islamic financing facility	16	(1,171,000)	—
Financing costs paid	16	(12,985)	(42,918)
Net cash used in financing activities		(2,608,785)	(1,164,102)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(925,917)	(489,895)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		3,376,925	3,866,820
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	2,451,008	3,376,925

* Comprises of proceeds on disposal of land amounting to RM19,082,000 (2023: RM2,632,000).

Total cash outflows for leases during the year comprise payment of lease liabilities and related interests totalling RM640,000 (2023: RM640,000).

The notes set out on pages 185 to 256 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. BASIS OF PREPARATION

1.1 Statement of compliance

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

As of 1 January 2024, the Group and the Company have adopted Amendments to MFRSs ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 31 to the financial statements.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 32 to the financial statements. Revised pronouncement that is not relevant to the operations of the Group and of the Company are set out in Note 33.

These financial statements were approved and authorised for issue by the Board of Directors on 21 February 2025.

1.2 Basis of measurement

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

1.3 Functional and presentation currency

The individual financial statements of each entity in the Group are prepared using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's and the Company's financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

All financial information has been rounded to the nearest thousands, unless otherwise stated.

1.4 Use of estimates and judgments

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

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

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

- (i) Note 3 : Property, plant and equipment;
- (ii) Note 9 : Deferred tax;
- (iii) Note 17 : Provisions;
- (iv) Note 23 : Tax expense; and
- (v) Note 29 : Financial instruments.

2. MATERIAL ACCOUNTING POLICIES

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of consolidation

Subsidiaries

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

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

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

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

Non-controlling interests

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

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

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

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

2.2 Associate

An associate is an entity in which the Group has significant influence including representation on the Board of Directors, but not control or joint control, over the financial and operating policies of the investee company.

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Joint arrangements

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

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

2.4 Property, plant and equipment and depreciation

Recognition and measurement

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

Depreciation

Depreciation for property, plant and equipment other than freehold land and projects-in-progress, is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Property, plant and equipment are not depreciated until the assets are ready for their intended use.

Buildings are depreciated over 50 years or over the remaining land lease period, whichever is shorter.

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

Plant and pipelines	5 - 55 years
Storage units	20 - 25 years
Other plant and equipment	3 - 20 years
Plant turnaround/major inspection	3 - 6 years
Office equipment, furniture and fittings	6 - 7 years
Computer software and hardware	5 years
Motor vehicles	4 years

Right-of-use (ROU) assets

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Depreciation of certain right-of-use assets are subsequently capitalised into carrying amount of other assets whenever they meet the criteria for capitalisation and adjusted for certain remeasurements of the lease liability.

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

Recognition exemption

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment and depreciation (continued)

Sublease classification

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

Impairment

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.5 Investments

Long-term investments in subsidiaries, associate and joint ventures are stated at cost less impairment loss, if any, in the Company's financial statements unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

The carrying amount of these investments includes fair value adjustments on shareholder's loans and advances (see Note 2.6).

2.6 Financial instruments

Recognition and derecognition

(i) Financial assets

Regular way purchases or sales were recognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the financial asset. Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

Financial assets are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"), as appropriate.

a) Amortised cost

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

Subsequent measurement

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

b) Fair value through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

Recognition and derecognition (continued)

(i) Financial assets (continued)

b) Fair value through profit or loss (continued)

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss. The methods used to measure fair value are stated in Note 2.17.

(ii) Financial liabilities

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

a) Amortised cost

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

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

b) Fair value through profit or loss

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

Recognition and derecognition (continued)

(iii) Derivative financial instruments

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

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

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

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

Hedge accounting

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

(iv) Offsetting of financial instruments

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

Interest rate benchmark reform

The Group and the Company have applied the practical expedients provided in the amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases (Interest Rate Benchmark Reform – Phase 2)* upon transition from London Inter-Bank Offered Rate ("LIBOR") to Secured Overnight Financing Rate ("SOFR").

As at reporting date, the Group's and the Company's negotiated contracts for which alternative benchmark rate SOFR had been used to replace LIBOR resulted in economically equivalent position with no profit or loss impact upon initial transition.

2.7 Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost.

The Group and the Company measure loss allowances on cash and cash equivalents at an amount equal to lifetime expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Impairment (continued)

(i) Financial assets (continued)

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

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is past due.

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

(ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment.

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which reversals are recognised.

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

Cost of liquefied gases and water is determined on a weighted average basis.

2.10 Taxation

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

Unused reinvestment allowance and unused investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unused tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Taxation (continued)

Global minimum top-up tax

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

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

2.11 Foreign currency transactions

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

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

Gains and losses on exchange arising from retranslation are recognised in the profit or loss. On consolidation, the assets and liabilities of subsidiaries with functional currencies other than Ringgit Malaysia, are translated into Ringgit Malaysia at the exchange rates ruling at reporting date.

The income and expenses are translated at the exchange rates at the dates of the transactions or an average rate that approximates those rates.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Revenue

Revenue from contracts with customers

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a product or service to customer. An asset is transferred when the customer obtains control of the asset.

2.14 Financing costs

Financing costs comprise of interest component of finance lease payments, interest payable on borrowings and profit share margin on Islamic Financing Facilities, as well as accretion in provision due to the passage of time.

2.15 Deferred income

Deferred income is recognised in profit or loss on a time proportion basis over the agreed contract period or applicable period.

2.16 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period, for the effects of all dilutive potential ordinary shares, if any.

2.17 Fair value measurement

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

(i) Financial instruments

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

(ii) Non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.17 Fair value measurement (continued)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT

Group 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
At cost:					
Freehold land	27,763	—	—	(1,590)	26,173
Land improvement	109,006	—	—	—	109,006
Buildings	532,396	—	(63)	16,311	548,644
Plant and pipelines	23,319,716	3,547	(8,423)	1,145,387	24,460,227
Storage units	817,416	—	—	—	817,416
Plant turnaround/major inspection	2,315,756	—	(68,909)	342,657	2,589,504
Office equipment, furniture and fittings	64,530	812	(995)	3,740	68,087
Other plant and equipment	573,861	3,216	(227)	112,697	689,547
Computer software and hardware	225,362	—	(121)	16,033	241,274
Motor vehicles	24,917	1,807	(1,300)	—	25,424
Projects-in-progress	2,183,556	1,434,058	(1,034)	(1,857,567)	1,759,013
	30,194,279	1,443,440	(81,072)	(222,332)	31,334,315
Right-of-use					
Leasehold land	676,006	18,848	(144)	223,831	918,541
Other plant and equipment	580,109	—	—	—	580,109
Storage units	1,149,571	—	—	—	1,149,571
	2,405,686	18,848	(144)	223,831	2,648,221
	32,599,965	1,462,288	(81,216)	*1,499	33,982,536

* Relates to spare parts transferred to property, plant and equipment of RM2,376,000 offset with consumable assets expensed-off of RM877,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2024 In RM'000	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Transfers/ Impairment	At 31.12.2024
Accumulated depreciation and impairment losses:					
Freehold land	—	—	—	—	—
Land improvement	10,342	1,677	—	—	12,019
Buildings	230,504	15,942	(25)	—	246,421
Plant and pipelines	15,652,485	646,556	(6,999)	1,164	16,293,206
Storage units	207,985	34,843	—	—	242,828
Plant turnaround/major inspection	1,524,359	308,915	(68,468)	759	1,765,565
Office equipment, furniture and fittings	55,809	3,804	(995)	—	58,618
Other plant and equipment	274,494	31,901	(227)	—	306,168
Computer software and hardware	155,046	26,606	(122)	—	181,530
Motor vehicles	22,185	1,191	(1,300)	—	22,076
Projects-in-progress	—	—	—	—	—
	18,133,209	1,071,435	(78,136)	1,923	19,128,431
Right-of-use					
Leasehold land	190,418	12,728	(35)	—	203,111
Other plant and equipment	122,189	22,810	—	—	144,999
Storage units	523,650	66,470	—	—	590,120
	836,257	102,008	(35)	—	938,230
	18,969,466	1,173,443	(78,171)	*1,923	20,066,661

* Relates to impairment losses on certain individual assets at Gas Processing segment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023 In RM'000	At 1.1.2023	Additions	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2023
At cost:					
Freehold land	11,259	16,504	—	—	27,763
Land improvement	109,006	—	—	—	109,006
Buildings	498,739	—	—	33,657	532,396
Plant and pipelines	22,795,476	1,049	(7,486)	530,677	23,319,716
Storage units	817,416	—	—	—	817,416
Plant turnaround/major inspection	1,998,026	—	(6,592)	324,322	2,315,756
Office equipment, furniture and fittings	66,551	158	(8)	(2,171)	64,530
Other plant and equipment	502,262	1,348	(674)	70,925	573,861
Computer software and hardware	206,955	—	(3,758)	22,165	225,362
Motor vehicles	25,015	1,236	(1,334)	—	24,917
Projects-in-progress	1,973,388	1,200,885	—	(990,717)	2,183,556
	29,004,093	1,221,180	(19,852)	(11,142)	30,194,279
Right-of-use					
Leasehold land	677,100	820	(1,914)	—	676,006
Other plant and equipment	580,109	—	—	—	580,109
Storage units	989,549	—	—	160,022	1,149,571
	2,246,758	820	(1,914)	160,022	2,405,686
	31,250,851	1,222,000	(21,766)	*148,880	32,599,965

* Includes the following:

- i. Adjustment to right-of-use assets following lease modification arising from change in lease payments in accordance with MFRS 16 *Leases* amounting to RM160,022,000.
- ii. Spare parts expensed-off of RM5,370,000 that were previously transferred to property, plant and equipment and consumable assets expensed-off of RM4,850,000.
- iii. Adjustment to decommissioning, dismantling, removal and restoration provision following change in discount rate amounting to RM922,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023 In RM'000	At 1.1.2023	Charge for the year	Disposals/ Write-offs	Transfers/ Impairment	At 31.12.2023
Accumulated depreciation and impairment losses:					
Freehold land	—	—	—	—	—
Land improvement	8,665	1,677	—	—	10,342
Buildings	201,522	15,333	—	13,649	230,504
Plant and pipelines	15,023,156	648,800	(3,458)	(16,013)	15,652,485
Storage units	173,142	34,843	—	—	207,985
Plant turnaround/major inspection	1,245,458	285,302	(6,401)	—	1,524,359
Office equipment, furniture and fittings	52,001	4,611	(8)	(795)	55,809
Other plant and equipment	240,751	29,448	(535)	4,830	274,494
Computer software and hardware	131,863	27,379	(3,758)	(438)	155,046
Motor vehicles	22,138	1,381	(1,334)	—	22,185
Projects-in-progress	—	—	—	—	—
	17,098,696	1,048,774	(15,494)	1,233	18,133,209
Right-of-use					
Leasehold land	181,865	8,635	(82)	—	190,418
Other plant and equipment	99,378	22,811	—	—	122,189
Storage units	462,471	61,179	—	—	523,650
	743,714	92,625	(82)	—	836,257
	17,842,410	1,141,399	(15,576)	*1,233	18,969,466

* Relates to impairment losses on certain individual assets at Gas Transportation segment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
At cost:					
Freehold land	27,763	—	—	(1,590)	26,173
Buildings	415,953	—	(63)	16,176	432,066
Plant and pipelines	19,012,549	3,547	(8,423)	1,124,117	20,131,790
Plant turnaround/major inspection	2,222,909	—	(52,648)	324,519	2,494,780
Office equipment, furniture and fittings	42,473	812	(995)	3,169	45,459
Other plant and equipment	417,106	3,216	(227)	108,629	528,724
Computer software and hardware	184,369	—	(121)	15,333	199,581
Motor vehicles	24,170	1,807	(1,300)	—	24,677
Projects-in-progress	2,111,473	1,191,358	—	(1,814,294)	1,488,537
	24,458,765	1,200,740	(63,777)	(223,941)	25,371,787
Leased to others as operating lease					
Buildings	5,533	—	—	—	5,533
Right-of-use					
Leasehold land	661,603	13,447	(144)	223,831	898,737
	25,125,901	1,214,187	(63,921)	*(110)	26,276,057

* Relates to consumable assets expensed-off of RM988,000 offset with inventories transferred to property, plant and equipment of RM878,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 In RM'000	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Transfers/ Impairment	At 31.12.2024
Accumulated depreciation and impairment losses:					
Freehold land	—	—	—	—	—
Buildings	199,913	10,510	(25)	—	210,398
Plant and pipelines	13,670,617	422,146	(6,999)	1,164	14,086,928
Plant turnaround/major inspection	1,463,615	292,686	(52,206)	759	1,704,854
Office equipment, furniture and fittings	36,705	2,471	(995)	—	38,181
Other plant and equipment	184,569	23,593	(227)	—	207,935
Computer software and hardware	136,479	18,255	(122)	—	154,612
Motor vehicles	21,440	1,191	(1,300)	—	21,331
Projects-in-progress	—	—	—	—	—
	15,713,338	770,852	(61,874)	1,923	16,424,239
<u>Leased to others as operating lease</u>					
Buildings	1,224	300	—	—	1,524
<u>Right-of-use</u>					
Leasehold land	185,865	11,906	(35)	—	197,736
	15,900,427	783,058	(61,909)	*1,923	16,623,499

* Relates to impairment losses on certain individual assets at Gas Processing segment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023 In RM'000	At 1.1.2023	Additions	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2023
At cost:					
Freehold land	11,259	16,504	—	—	27,763
Buildings	387,155	—	—	28,798	415,953
Plant and pipelines	18,491,965	1,036	(7,486)	527,034	19,012,549
Plant turnaround/major inspection	1,922,735	—	(1,865)	302,039	2,222,909
Office equipment, furniture and fittings	44,597	70	(8)	(2,186)	42,473
Other plant and equipment	345,852	1,348	(674)	70,580	417,106
Computer software and hardware	183,400	—	(3,758)	4,727	184,369
Motor vehicles	24,268	1,236	(1,334)	—	24,170
Projects-in-progress	1,944,432	1,112,510	—	(945,469)	2,111,473
	23,355,663	1,132,704	(15,125)	(14,477)	24,458,765
<u>Leased to others as operating lease</u>					
Buildings	1,004	—	—	4,529	5,533
<u>Right-of-use</u>					
Leasehold land	662,697	820	(1,914)	—	661,603
	24,019,364	1,133,524	(17,039)	*(9,948)	25,125,901

* Relates to spare parts expensed-off of RM5,177,000 that were previously transferred to property, plant and equipment and consumable assets expensed-off of RM4,771,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023 In RM'000	At 1.1.2023	Charge for the year	Disposals/ Write-offs	Transfers/ Impairment	At 31.12.2023
Accumulated depreciation and impairment losses:					
Freehold land	—	—	—	—	—
Buildings	176,474	9,790	—	13,649	199,913
Plant and pipelines	13,267,397	422,691	(3,458)	(16,013)	13,670,617
Plant turnaround/major inspection	1,192,426	272,863	(1,674)	—	1,463,615
Office equipment, furniture and fittings	34,910	2,597	(8)	(794)	36,705
Other plant and equipment	161,822	18,453	(535)	4,829	184,569
Computer software and hardware	118,200	22,476	(3,759)	(438)	136,479
Motor vehicles	21,392	1,381	(1,333)	—	21,440
Projects-in-progress	—	—	—	—	—
	14,972,621	750,251	(10,767)	1,233	15,713,338
<u>Leased to others as operating lease</u>					
Buildings	853	371	—	—	1,224
<u>Right-of-use</u>					
Leasehold land	177,920	8,027	(82)	—	185,865
	15,151,394	758,649	(10,849)	*1,233	15,900,427

* Relates to impairment losses on certain individual assets at Gas Transportation segment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

In RM'000 Carrying amount	Group		Company	
	2024	2023	2024	2023
Freehold land	26,173	27,763	26,173	27,763
Land improvement	96,987	98,664	—	—
Buildings	302,223	301,892	221,668	216,040
Plant and pipelines	8,167,021	7,667,231	6,044,862	5,341,932
Storage units	574,588	609,431	—	—
Plant turnaround/major inspection	823,939	791,397	789,926	759,294
Office equipment, furniture and fittings	9,469	8,721	7,278	5,768
Other plant and equipment	383,379	299,367	320,789	232,537
Computer software and hardware	59,744	70,316	44,969	47,890
Motor vehicles	3,348	2,732	3,346	2,730
Projects-in-progress	1,759,013	2,183,556	1,488,537	2,111,473
	12,205,884	12,061,070	8,947,548	8,745,427
<u>Leased to others as operating lease</u>				
Buildings	—	—	4,009	4,309
<u>Right-of-use</u>				
Leasehold land	715,430	485,588	701,001	475,738
Other plant and equipment	435,110	457,920	—	—
Storage units	559,451	625,921	—	—
	1,709,991	1,569,429	701,001	475,738
	13,915,875	13,630,499	9,652,558	9,225,474

3.1 As a lessee

Right-of-use assets

Group

Right-of-use assets are mainly in relation to lease of lands from state governments and a related company, rental of seabed from state government, usage of jetty facilities from a related company and charter hire of floating storage units from a related company.

Company

Right-of-use assets are in relation to lease of lands from state government and a related company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.1 As a lessee (continued)

Depreciation of right-of-use assets

The following is the depreciation of right-of-use assets:

In RM'000	Group		Company	
	2024	2023	2024	2023
Capitalised in property, plant and equipment	215	—	—	—
Recognised in profit or loss	101,793	92,625	11,906	8,027
Total depreciation	102,008	92,625	11,906	8,027

Extension options

Certain lease contracts contain extension option exercisable before the end of the non-cancellable contract period. The discounted potential future lease payments arising from exercisable extension option was not included in the lease liabilities due to uncertainty at the reporting date as to whether the Group will exercise the extension terms.

Significant judgments and assumptions in relation to leases

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

Lease modification

In the previous year, lease modification arose from prepayment of charter hire of floating storage units of the Group's subsidiary at new residual contract value representing a one-off full settlement of the lease liabilities in relation to the right-of-use assets. In accordance with MFRS 16 Leases, the effect of the lease modification has been made against the respective right-of-use assets.

3.2 As a lessor

Property, plant and equipment leased to others as operating lease

The Company leased out a warehouse and office to subsidiaries under operating lease arrangement expiring in 2042. The lease income recognised in profit or loss during the year amounted to RM424,000 (2023: RM462,000).

The operating lease payments to be received until end of the lease tenure amounted to RM6,241,000 (2023: RM5,372,000).

3.3 Restrictions of land title

The titles of certain land are in the process of being registered in the Company's name.

3.4 Project-in-progress

Included in additions to project-in-progress of the Group and of the Company are borrowing costs capitalised during the year of RM15,023,000 (2023: RM46,665,000) and RM14,102,000 (2023: RM45,790,000) respectively. There is capitalisation of depreciation charge for the year in respect of Group's right-of-use of leasehold land amounting to RM215,000 (2023: RM Nil). The interest rate on borrowings capitalised for the Group and the Company was 4.19% (2023: 4.05%) and 4.27% (2023: 4.04%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.5 Impairment

During the year, the Group and the Company recognised impairment losses on certain individual assets relating to Gas Processing segment amounting to RM1,923,000.

In previous year, the Group and the Company recognised impairment losses on certain individual assets relating to Gas Transportation segment amounting to RM1,233,000.

3.6 Land lease agreement for seabed land at a subsidiary

A subsidiary of the Group has entered into an agreement with the state government ("the lessor") to lease a seabed land situated off the coast of Sg. Udang in Melaka for 25 years from 2011 to 2036 on which the subsidiary's LNG regasification terminal and offshore pipeline resides. Upon termination or expiry of the agreement, the land is to be re-delivered to the lessor in a manner to be mutually agreed between both parties.

Under the agreement, the lessor may require the land to be delivered together with all of the subsidiary's equipment, erections, fixtures, structures and sub-structures ("the assets") constructed on the land at a consideration to be mutually agreed between the parties. Should there be no mutual agreement on the consideration, the lessor may then require the subsidiary to remove the assets, or they may appoint a third party to carry out the removal works and recharge the subsidiary for the costs incurred. The subsidiary of the Group has assessed that currently it is not probable that the subsidiary will be required to remove the assets.

4. INVESTMENTS IN SUBSIDIARIES

In RM'000	Company	
	2024	2023
Investment at cost:		
- unquoted shares		
At beginning of the year	1,861,619	1,042,182
Additional investment during the year	114,792	943,281
Redemption of redeemable preference shares	(201,300)	(123,844)
At end of the year	1,775,111	1,861,619

During the year, PG Energia Sdn. Bhd., a wholly owned subsidiary, was incorporated in Malaysia as an investment holding company for utilities business.

Additional investments during the year include subscription of additional ordinary shares and redeemable preference shares in Sipitang Utilities Sdn. Bhd., Regas Terminal (Pengerang) Sdn. Bhd. and PG Energia Sdn. Bhd.

Redemption of redeemable preference shares relates to redemption by Regas Terminal (Sg. Udang) Sdn. Bhd. and Pengerang LNG (Two) Sdn. Bhd.

Summarised financial information on non-controlling interest has not been disclosed as the non-controlling interest of the subsidiaries are not individually material to the Group.

Details of subsidiaries are stated in Note 34 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. INVESTMENTS IN JOINT VENTURES

In RM'000	Group		Company	
	2024	2023	2024	2023
Investments at cost				
- unquoted shares	352,059	283,059	283,059	283,059
Share of post-acquisition profits and reserves	587,746	550,525	—	—
	939,805	833,584	283,059	283,059

The Group's involvements in joint arrangements are structured through separate vehicles which provide the Group rights to the net assets of these entities. Accordingly, the Group has classified these investments as joint ventures.

In RM'000	2024	2023
Group summarised financial information of joint ventures		
As at 31 December		
Non-current assets	1,947,156	2,162,427
Current assets	758,909	910,397
Non-current liabilities	(689,649)	(1,057,864)
Current liabilities	(405,860)	(539,009)
Net assets	1,610,556	1,475,951
<i>Included in the net assets are:</i>		
Cash and cash equivalents	319,494	575,879
Non-current financial liabilities (excluding other payables and provisions)	(689,649)	(1,057,864)
Current financial liabilities (excluding trade and other payables and provisions)	(152,695)	(184,992)
Group's share of net assets	939,805	833,584
Profit for the year	170,530	311,853
Other comprehensive (expense)/income	(33,561)	26,272
Total comprehensive income for the year	136,969	338,125
<i>Included in the total comprehensive income are:</i>		
Revenue	645,364	534,492
Depreciation and amortisation	(40,587)	(47,341)
Interest income and profit from fund investment	82,489	79,336
Financing costs	(71,260)	(82,670)
Tax (expense)/income	(26,790)	174,836
Group's share of results		
Share of profit from operations	79,657	185,096
Share of other comprehensive income	(18,291)	12,066
Share of total comprehensive income	61,366	197,162
Other information		
Dividends received	24,145	130,626

Group's share of the net assets and results are significantly contributed by Kimanis Power Sdn. Bhd. and Pengerang Gas Solutions Sdn. Bhd.

Details of joint ventures are stated in Note 35 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

6. INVESTMENTS IN ASSOCIATE

In RM'000	Group		Company	
	2024	2023	2024	2023
Investments at cost				
- quoted shares	76,466	76,466	76,466	76,466
Share of post-acquisition profits and reserves	133,317	110,053	—	—
	209,783	186,519	76,466	76,466
Market value of quoted shares	815,143	609,932	815,143	609,932

Details of associate are stated in Note 36 of the financial statements.

In RM'000	2024	2023
Group's share of results		
Group's share of total comprehensive income for the year	67,631	53,988
Other information		
Dividends received	44,367	42,904

7. LONG-TERM RECEIVABLE

In RM'000	Group		Company	
	2024	2023	2024	2023
Due from a joint venture	—	69,566	—	69,566
Less: Expected credit losses	—	(150)	—	(150)
	—	69,416	—	69,416
Deposit	2,000	—	—	—
	2,000	69,416	—	69,416

Term loan due from a joint venture is unsecured, bears interest at a rate of 5.5% (2023: 5.5%) per annum and repayable in tranches at various due dates from 2021 to 2025. Amount repayable in twelve months are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

8. DERIVATIVES

In RM'000	Note	Nominal value 2024	Carrying amount 2024	Nominal value 2023	Carrying amount 2023
Group					
Derivative assets at fair value through profit or loss					
Forward foreign exchange contracts	11	130,801	3,681	146	2
Derivative liabilities at fair value through profit or loss					
Forward foreign exchange contracts	19	31,824	(757)	10,802	(80)
Included within:					
Trade and other receivables	11		3,681		2
Trade and other payables	19		(757)		(80)
Company					
Derivative assets at fair value through profit or loss					
Forward foreign exchange contracts	11	130,801	3,681	146	2
Derivative liabilities at fair value through profit or loss					
Forward foreign exchange contracts	19	—	—	329	(4)
Included within:					
Trade and other receivables	11		3,681		2
Trade and other payables	19		—		(4)

In the normal course of business, the Group and the Company enter into derivative financial instruments to manage their normal business exposures in relation to interest rates and foreign currency exchange rates consistent with their risk management policies and objectives.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. DEFERRED TAX

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

In RM'000	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Group						
Property, plant and equipment	—	—	(1,485,142)	(1,505,818)	(1,485,142)	(1,505,818)
Deferred income	4,953	5,509	—	—	4,953	5,509
Expected credit loss	21	67	—	—	21	67
Unabsorbed capital allowances	3,499	3,909	—	—	3,499	3,909
Unused investment tax allowances	276,813	380,349	—	—	276,813	380,349
Tax assets/(liabilities)	285,286	389,834	(1,485,142)	(1,505,818)	(1,199,856)	(1,115,984)
Set off tax	(253,848)	(303,783)	253,848	303,783	—	—
Net tax assets/(liabilities)	31,438	86,051	(1,231,294)	(1,202,035)	(1,199,856)	(1,115,984)
Company						
Property, plant and equipment	—	—	(1,236,268)	(1,207,611)	(1,236,268)	(1,207,611)
Deferred income	4,953	5,509	—	—	4,953	5,509
Expected credit loss	21	67	—	—	21	67
Tax assets/(liabilities)	4,974	5,576	(1,236,268)	(1,207,611)	(1,231,294)	(1,202,035)
Set off tax	(4,974)	(5,576)	4,974	5,576	—	—
Net tax assets/(liabilities)	—	—	(1,231,294)	(1,202,035)	(1,231,294)	(1,202,035)

Unrecognised deferred tax assets

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

In RM'000	Group		Company	
	2024	2023	2024	2023
Unused tax losses	38,882	38,882	—	—

The unused tax losses relates to a subsidiary of the Group. In accordance with Paragraph 5 of Income Tax (Exemption) (No.7) Order 2013 (Income based exemption for statutory income of a qualifying person derived from RAPID Complex), the subsidiary's unused tax losses does not expire. Deferred tax assets have not been recognised in respect of these items because it is not probable that the Group can utilise the benefits in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. DEFERRED TAX (continued)

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

Group 2024 In RM'000	At 1.1.2024	(Charged)/ Credited to profit or loss	At 31.12.2024
Deferred tax liabilities			
Property, plant and equipment	(1,505,818)	20,676	(1,485,142)
Deferred tax assets			
Deferred income	5,509	(556)	4,953
Expected credit loss	67	(46)	21
Unabsorbed capital allowances	3,909	(410)	3,499
Unused investment tax allowances	380,349	(103,536)	276,813
	389,834	(104,548)	285,286
Net deferred tax	(1,115,984)	(83,872)	(1,199,856)

Group 2023 In RM'000	At 1.1.2023	(Charged)/ Credited to profit or loss	At 31.12.2023
Deferred tax liabilities			
Property, plant and equipment	(1,488,581)	(17,237)	(1,505,818)
Deferred tax assets			
Deferred income	204	5,305	5,509
Expected credit loss	79	(12)	67
Unabsorbed capital allowances	3,260	649	3,909
Unused investment tax allowances	412,768	(32,419)	380,349
	416,311	(26,477)	389,834
Net deferred tax	(1,072,270)	(43,714)	(1,115,984)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

9. DEFERRED TAX (continued)

Company 2024 In RM'000	At 1.1.2024	(Charged)/ Credited to profit or loss	At 31.12.2024
Deferred tax liabilities			
Property, plant and equipment	(1,207,611)	(28,657)	(1,236,268)
Deferred tax assets			
Deferred income	5,509	(556)	4,953
Expected credit loss	67	(46)	21
	5,576	(602)	4,974
Net deferred tax	(1,202,035)	(29,259)	(1,231,294)

Company 2023 In RM'000	At 1.1.2023	(Charged)/ Credited to profit or loss	At 31.12.2023
Deferred tax liabilities			
Property, plant and equipment	(1,207,474)	(137)	(1,207,611)
Deferred tax assets			
Deferred income	204	5,305	5,509
Expected credit loss	87	(20)	67
	291	5,285	5,576
Net deferred tax	(1,207,183)	5,148	(1,202,035)

10. TRADE AND OTHER INVENTORIES

In RM'000	Group		Company	
	2024	2023	2024	2023
Liquefied gases and water	2,425	2,485	2,425	2,485
Maintenance materials and spares	33,561	36,185	29,144	31,996
	35,986	38,670	31,569	34,481
<i>Recognised in profit or loss as:</i>				
Cost of revenue	92,226	77,495	91,227	76,723
Inventories written-off	154	137	154	137
Net impairment losses on inventories	12,102	8,351	12,080	8,416

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

11. TRADE AND OTHER RECEIVABLES

In RM'000	Note	Group		Company	
		2024	2023	2024	2023
Trade receivables		35,767	37,043	35,767	37,043
Other receivables		22,892	15,219	22,684	14,485
Deposits		1,730	1,032	1,730	1,032
Prepayments		33,424	41,184	10,253	10,644
Amount due from:					
- holding company	11.1	176,419	170,068	176,412	170,049
- subsidiaries	11.2	—	—	9,332	5,079
- joint ventures and associate	11.3	3,566	4,558	3,566	4,558
- related companies	11.4	571,945	559,378	452,463	438,763
- related parties	11.5	44,706	39,633	44,706	39,633
Term loans due from a joint venture		67,456	58,644	67,456	58,644
Derivative assets	8	3,681	2	3,681	2
		961,586	926,761	828,050	779,932
Less: Expected credit losses		(87)	(128)	(87)	(128)
		961,499	926,633	827,963	779,804

11.1 Amount due from holding company arose in the normal course of business and relates to:

In RM'000	Group		Company	
	2024	2023	2024	2023
Trade	163,826	156,896	163,826	156,896
Non-trade	12,593	13,172	12,586	13,153
	176,419	170,068	176,412	170,049

11.2 Amount due from subsidiaries arose in the normal course of business and relates to:

In RM'000	Company	
	2024	2023
Trade	457	422
Non-trade	8,875	4,657
	9,332	5,079

11.3 Amount due from joint ventures and associate arose in the normal course of business and relates to:

In RM'000	Group and Company	
	2024	2023
Trade	1,075	1,272
Non-trade	2,491	3,286
	3,566	4,558

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

11. TRADE AND OTHER RECEIVABLES (continued)

11.4 Amount due from related companies arose in the normal course of business and relates to:

In RM'000	Group		Company	
	2024	2023	2024	2023
Trade	565,457	554,475	450,765	437,910
Non-trade	6,488	4,903	1,698	853
	571,945	559,378	452,463	438,763

11.5 Amount due from related parties arose in the normal course of business and relates to:

In RM'000	Group and Company	
	2024	2023
Trade	44,604	39,591
Non-trade	102	42
	44,706	39,633

12. CASH AND CASH EQUIVALENTS

In RM'000	Group		Company	
	2024	2023	2024	2023
Cash with PETRONAS Integrated Financial Shared Service Centre	1,459,755	2,910,846	1,430,607	2,874,632
Cash and bank balances	96,615	93,173	881	2,293
Deposits	1,039,335	523,924	1,019,520	500,000
	2,595,705	3,527,943	2,451,008	3,376,925

The Group's and the Company's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS Integrated Financial Shared Services Centre ("IFSSC") to enable more efficient cash management for the Group and the Company.

Included in the Group's cash and cash equivalents are deposits of RM19,819,000 (2023: RM23,927,000) in a finance service reserve account being designated as security and a fixed balance amounting to RM30,000 (2023: RM30,000) in a trustee reimbursable account in relation to a subsidiary's Islamic financing facility.

All of the Group's and the Company's cash and cash equivalents in the current year and in the previous year are interest-bearing balance.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. SHARE CAPITAL

Company	2024		2023	
	No of shares '000	Amount RM'000	No of shares '000	Amount RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	1,978,732	3,165,204	1,978,732	3,165,204

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.

14. RESERVES

Retained Profits

The Company has sufficient retained earnings to distribute single tier dividends paid out of income derived from operations which are tax exempted in the hands of shareholders pursuant to Paragraph 12B, Schedule 6 of the Income Tax Act, 1967.

Capital Reserve

Capital reserve represents available reserve in a subsidiary that has been capitalised arising from redemption of preference shares.

Foreign Currency Translation Reserve

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiary and joint venture whose functional currencies are different from that of the Group's functional currency.

Hedging Reserve

Hedging reserve records the portion of the gain or loss on hedging instruments in a cash flow hedge that is determined to be an effective hedge in accordance with accounting policy stated in Note 2.6. When the hedged transaction occurs, the gain or loss on the hedging instrument is transferred out from equity to either profit or loss or the carrying value of assets, as appropriate. If the forecast transaction is no longer expected to occur, the gain or loss recognised in equity is transferred to profit or loss.

15. NON-CONTROLLING INTERESTS

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

16. BORROWINGS

In RM'000	Note	Group		Company	
		2024	2023	2024	2023
Non-current					
Secured					
Islamic financing facility	16.1	1,165,000	1,285,000	—	—
Lease liabilities	16.2	547,736	574,186	6,359	6,481
Total non-current secured borrowings		1,712,736	1,859,186	6,359	6,481
Total non-current borrowings		1,712,736	1,859,186	6,359	6,481
Current					
Secured					
Islamic financing facility	16.1	120,000	110,000	—	—
Lease liabilities	16.2	14,666	13,935	115	106
Total current secured borrowings		134,666	123,935	115	106
Unsecured					
Islamic financing facility	16.3	—	1,169,348	—	1,169,348
Total current unsecured borrowings		—	1,169,348	—	1,169,348
Total current borrowings		134,666	1,293,283	115	1,169,454
Total borrowings		1,847,402	3,152,469	6,474	1,175,935

Terms and debt repayment schedule:

In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Group					
Secured					
Islamic financing facility	1,285,000	120,000	100,000	285,000	780,000
Lease liabilities	562,402	14,666	15,827	56,737	475,172
Total borrowings	1,847,402	134,666	115,827	341,737	1,255,172
Company					
Secured					
Lease liabilities	6,474	115	117	438	5,804
Total borrowings	6,474	115	117	438	5,804

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

16. BORROWINGS (continued)

16.1 The secured Islamic financing facility obtained by a subsidiary of the Group comprise:

In RM'000	2024	2023
RM-denominated Islamic Murabahah Medium Term Notes	1,285,000	1,395,000

The RM-denominated Islamic Murabahah Medium Term Notes ("Sukuk Murabahah") relates to issuance by a subsidiary of the Group totalling RM1.7 billion under its Islamic Medium Term Note Programme ("Programme").

The Sukuk Murabahah bears profit rates ranging from 2.03% to 3.74% per annum (2023: 2.03% to 3.74% per annum) and the remaining amount is fully repayable at their various tranches due dates from 2025 to 2040.

It is secured by way of first ranking assignment and charge over a deposit and a finance service reserve account as disclosed in Note 12 which is to be funded to a minimum balance equivalent to the next 6 months' principal payment and next 6 months' periodic profit payment due.

In connection with the Programme, the subsidiary ("Issuer") has agreed to the following significant covenants:

- Issuer shall maintain a maximum debt to equity ratio of 80:20; and
- Issuer shall maintain a Finance Service Cover Ratio of not less than 1.25 times.

16.2 The Group's lease liabilities represent committed future payments for rights-of-use assets in relation to usage of jetty facilities, lease of land and rental of seabed by subsidiaries of the Group from related companies and state governments.

The lease liabilities bear interest at rates ranging from 4.3% to 8.4% per annum (2023: 8.1% to 8.4% per annum).

In prior year, the Group's subsidiary has entered into an agreement with a related company for prepayment of charter hire of floating storage units at new residual contract value representing a one-off full settlement of the lease liabilities in relation to right-of-use assets.

16.3 The unsecured Islamic financing facility obtained by the Group and the Company comprises:

In RM'000	2024	2023
Commodity Murabahah Term Financing	—	1,169,348

On 22 February 2021, the Company obtained a 3-year unsecured Commodity Murabahah Term Financing facility for a maximum aggregate principal up to RM1.3 billion.

The Commodity Murabahah bears profit rates of 4.27% per annum (2023: 3.46% to 4.18% per annum) and was paid in full in March 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

16. BORROWINGS (continued)

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

Group In RM'000	Islamic financing facilities	Lease liabilities	Total
Balance at 1 January 2024	2,564,348	588,121	3,152,469
Changes from financing cash flows			
- payment of lease liabilities	—	(14,016)	(14,016)
- repayment of Islamic financing facility	(1,281,000)	—	(1,281,000)
Total changes from financing cash flows	(1,281,000)	(14,016)	(1,295,016)
Effect of changes in foreign exchange rates	—	(17,121)	(17,121)
Other liability-related changes			
- acquisition of new lease	—	5,418	5,418
- accrued interest expense	379	—	379
- financing costs capitalised	14,533	490	15,023
- financing costs	41,420	47,094	88,514
- financing costs paid	(54,680)	(47,584)	(102,264)
Total other liability-related changes	1,652	5,418	7,070
Balance at 31 December 2024	1,285,000	562,402	1,847,402

Group In RM'000	Islamic financing facilities	Lease liabilities	Total
Balance at 1 January 2023	2,362,744	1,472,998	3,835,742
Changes from financing cash flows			
- payment of lease liabilities	—	(1,094,739)	(1,094,739)
- drawdown of Islamic financing facility	303,600	—	303,600
- repayment of Islamic financing facility	(105,000)	—	(105,000)
Total changes from financing cash flows	198,600	(1,094,739)	(896,139)
Effect of changes in foreign exchange rates	—	49,840	49,840
Other liability-related changes			
- modification of lease liabilities	—	160,022	160,022
- accrued interest expense	62	—	62
- financing costs capitalised	46,098	567	46,665
- financing costs	44,122	81,312	125,434
- financing costs paid	(87,278)	(81,879)	(169,157)
Total other liability-related changes	3,004	160,022	163,026
Balance at 31 December 2023	2,564,348	588,121	3,152,469

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

16. BORROWINGS (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company In RM'000	Islamic financing facility	Lease liabilities	Total
Balance at 1 January 2024	1,169,348	6,587	1,175,935
Changes from financing cash flows			
- payment of lease liabilities	—	(113)	(113)
- repayment of Islamic financing facility	(1,171,000)	—	(1,171,000)
Total changes from financing cash flows	(1,171,000)	(113)	(1,171,113)
Other liability-related changes			
- financing costs capitalised	14,102	—	14,102
- financing costs	—	535	535
- financing costs paid	(12,450)	(535)	(12,985)
Total other liability-related changes	1,652	—	1,652
Balance at 31 December 2024	—	6,474	6,474

Company In RM'000	Islamic financing facility	Lease liabilities	Total
Balance at 1 January 2023	862,744	6,684	869,428
Changes from financing cash flows			
- drawdown of Islamic financing facility	303,600	—	303,600
- payment of lease liabilities	—	(97)	(97)
Total changes from financing cash flows	303,600	(97)	303,503

Company In RM'000	Islamic financing facility	Lease liabilities	Total
Other liability-related changes			
- accrued interest expense	(411)	—	(411)
- financing costs capitalised	45,790	—	45,790
- financing costs expense	—	543	543
- financing costs paid	(42,375)	(543)	(42,918)
Total other liability-related changes	3,004	—	3,004
Balance at 31 December 2023	1,169,348	6,587	1,175,935

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

17. PROVISIONS

In RM'000	Group		Company	
	2024	2023	2024	2023
Provision for decommissioning of property, plant and equipment	33,588	32,209	11,686	11,211

The movements of provision for decommissioning during the financial year are as follows:

In RM'000	Group	Company
At 1 January 2024	32,209	11,211
Unwinding of discount	1,379	475
At 31 December 2024	33,588	11,686

As at 31 December 2024, the provision for decommissioning is expected to be utilised as follows:

In RM'000	Group	Company
11 to 20 years	14,420	—
More than 20 years	19,168	11,686
	33,588	11,686

The provision comprises of provision for decommissioning of property, plant and equipment in relation to the Group's and Company's obligation to decommission and remove certain assets, and to restore land leased to its original condition upon expiry between 2036 and 2046.

The corresponding amount of the provision for decommissioning made has been capitalised into the relevant property, plant and equipment.

The provision has been made based on present value of estimated decommissioning costs using discount rates ranging from 4.2% to 4.3% (2023: 4.2% to 4.3%).

18. DEFERRED INCOME

In RM'000	Note	Group and Company	
		2024	2023
At beginning of the year		22,956	1,517
Addition		1,345	25,178
Less: recognised in the profit or loss		(3,663)	(3,739)
At end of the year		20,638	22,956
Analysis of deferred income:			
Non-current		18,046	20,032
Current	19	2,592	2,924
		20,638	22,956

Deferred income mainly relates to the payments received in advance from related company and related party for the utilisation of Company's properties and equipments over a period of time by the related company and related party. The deferred income is subsequently recognised in the profit or loss on a time apportionment basis over the specified period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

19. TRADE AND OTHER PAYABLES

In RM'000	Note	Group		Company	
		2024	2023	2024	2023
Other payables and accruals	19.1	878,895	646,515	747,071	598,971
Amount due to:					
- holding company	19.2	148,831	117,221	124,251	101,140
- related companies	19.3	354,491	330,643	293,626	266,358
- subsidiaries	19.2	—	—	12	15
- joint venture	19.2	10	—	10	—
Derivative liabilities	8	757	80	—	4
Deferred income	18	2,592	2,924	2,592	2,924
		1,385,576	1,097,383	1,167,562	969,412

19.1 Included in other payables and accruals are amounts owing to suppliers and contractors for purchase of property, plant and equipment for the Group of RM522,315,000 (2023: RM378,551,000) and for the Company of RM422,648,000 (2023: RM358,109,000).

19.2 Amount due to holding company, subsidiaries and joint venture arose in the normal course of business and are non-trade in nature.

19.3 Amount due to related companies arose in the normal course of business and relates to:

In RM'000	Group		Company	
	2024	2023	2024	2023
Trade	185,966	192,291	182,181	160,316
Non-trade	168,525	138,352	111,445	106,042
	354,491	330,643	293,626	266,358

Included in amount due to related companies are amounts owing to suppliers and contractors for purchase of property, plant and equipment for the Group of RM88,799,000 (2023: RM57,077,000) and for the Company of RM45,237,000 (2023: RM35,816,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

20. REVENUE

Revenue from contracts with customers

The Group's total revenue which also represents revenue from contracts with customers are disaggregated by primary geographical market and major products and services as follows:

In RM'000	Group		Company	
	2024	2023	2024	2023
Geographical locations				
Peninsular Malaysia	6,538,245	6,443,334	5,184,749	5,092,798
Sabah	—	2,089	—	2,089
Total revenue from contracts with customers	6,538,245	6,445,423	5,184,749	5,094,887
Products and services				
Gas processing services	1,872,525	1,778,200	1,872,525	1,778,200
Gas transportation services	1,189,178	1,139,524	1,189,178	1,139,524
Regasification services	1,330,351	1,327,667	—	—
Utilities				
- Electricity	788,657	772,362	788,657	772,362
- Steam	838,261	925,898	838,261	925,898
- Industrial gases	406,437	399,285	406,437	399,285
- Others*	77,564	73,279	77,564	73,279
LNG ancillary services	24,889	24,608	—	—
Operations and maintenance services	10,383	4,600	12,127	6,339
Total revenue from contracts with customers	6,538,245	6,445,423	5,184,749	5,094,887

* Others relate to sale of water, other utilities products and services.

The Group's disaggregated revenue for each reportable segments are as follows:

Group 2024 In RM'000	Gas	Gas	Regasification	Utilities	Total
	Processing	Transportation			
Gas processing services	1,872,525	—	—	—	1,872,525
Gas transportation services	—	1,189,178	—	—	1,189,178
Regasification services	—	—	1,330,351	—	1,330,351
Utilities	—	—	—	2,110,919	2,110,919
LNG ancillary services	—	—	24,889	—	24,889
Operations and maintenance services	—	10,383	—	—	10,383
	1,872,525	1,199,561	1,355,240	2,110,919	6,538,245

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

20. REVENUE (continued)

Revenue from contracts with customers (continued)

The Group's disaggregated revenue for each reportable segments are as follows (continued):

Group 2023 In RM'000	Gas Processing	Gas Transportation	Gas Regasification	Utilities	Total
Gas processing services	1,778,200	—	—	—	1,778,200
Gas transportation services	—	1,139,524	—	—	1,139,524
Regasification services	—	—	1,327,667	—	1,327,667
Utilities	—	—	—	2,170,824	2,170,824
LNG ancillary services	—	—	24,608	—	24,608
Operations and maintenance services	—	4,600	—	—	4,600
	1,778,200	1,144,124	1,352,275	2,170,824	6,445,423

Nature of goods and services

The following describes information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies.

Nature of products and services	Timing of recognition or method used to recognise revenue and significant payment terms	Variable elements in consideration
Gas processing services		
Processing of natural gas into sales gas and by-products	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis, at month-end and payable within 30 days.	There is a performance based income upon achieving certain plant and equipment efficiency to extract liquid by-products from natural gas of which contributes less than 10% of total consideration.
Gas transportation services		
Transportation of processed gas to end customers	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis, at month-end and payable within 30 days.	No variable considerations.
Regasification services		
Regasification of liquefied natural gas into Peninsular Gas Utilisation ("PGU") pipeline network and Pengerang Integrated Complex ("PIC")	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis, at month-end and payable within 30 days.	No variable considerations.
Utilities		
Sale of industrial utilities to petrochemical complexes and national electricity grid	Upon industrial utilities distribution to customers, invoices are issued at pre-determined rates on a monthly basis, at month-end and payable within 30 days.	No variable considerations.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

20. REVENUE (continued)

Nature of goods and services (continued)

Nature of products and services	Timing of recognition or method used to recognise revenue and significant payment terms	Variable elements in consideration
LNG ancillary services		
Gasging up cooling down services	Upon services being rendered, invoices are issued at pre-determined tariff per service basis and payable within 7 days.	No variable considerations.
LNG reloading services	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis, at month-end and payable within 30 days.	No variable considerations.
LNG truck loading services	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis, at month-end and payable within 30 days.	No variable considerations.
Operations & maintenance services		
Provision of manpower to operate and maintain customer facilities	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis, at month-end and payable within 30 days.	No variable considerations.

Transaction price allocated to the remaining performance obligations

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure only provides information for contracts that have a duration of more than one year.

Gas Processing Services In RM'000	Within 1 year	1 – 5 years	Over 5 years	Total
Gas processing services				
- Reservation charges	1,704,000	5,112,000	—	6,816,000

The Group has a 20-year agreement from 2014 to 2033 with the holding company to provide gas processing services called the Gas Processing Agreement ("GPA"). Pursuant to the 3rd term of the GPA effective 1 January 2024 till 31 December 2028, there is remaining an unsatisfied performance obligation to the customer for the next 4 years. There does not exist any unsatisfied performance obligation beyond 4 years as tariffs and quantity nomination have yet to be agreed.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

20. REVENUE (continued)

As allowed by the accounting standards, the Group and the Company applied the practical expedient for exemption on disclosure of information on remaining performance obligation that is yet to be satisfied (or partially not satisfied) for contracts with customers as the performance obligation has an original expected duration of one year or less as follows:

i) Gas Transportation Services

The Group has long-term agreements with a related company and holding company to provide gas transportation services that is subject to annual capacity reservation by the customers.

ii) Regasification Services

The Group has two LNG regasification facilities in Melaka and Johor that provide LNG regasification services.

Regas Terminal (Sg. Udang) Sdn. Bhd. ("RGTSU"), being a subsidiary company, has a long-term agreement with a related company to provide LNG regasification services that is subject to annual capacity nomination by the customer.

Pengerang LNG (Two) Sdn. Bhd. ("PLNG2"), being a subsidiary company, has a long-term agreement with a related company to provide LNG regasification services that is subject to annual capacity nomination by the customer.

iii) Utilities

The Group has long-term agreements to supply industrial utilities to various customers in the Kertih Integrated Petrochemical Complex and Gebeng Industrial Area that are subject to daily, monthly, quarterly and annual nominations by the customers as well as fixed minimum offtake charges.

iv) LNG ancillary services

LNG reloading services

RGTSU, being a subsidiary company, has long-term agreement with a related company to provide LNG reloading services that is subject to annual nomination schedule by the customer.

LNG truck loading services

PLNG2, being a subsidiary company, has a long-term agreement with a related company to provide LNG truck loading services that is subject to annual operation schedule agreed by the customer.

NOTES TO THE FINANCIAL STATEMENTS

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21. OPERATING PROFIT

In RM'000	Group		Company	
	2024	2023	2024	2023
Included in operating profit are the following charges:				
Auditor's remuneration:				
- audit fees	608	574	365	344
- non-audit service fee	88	12	13	12
Depreciation of property, plant and equipment	1,173,228	1,141,399	783,058	758,649
Net impairment losses on:				
- property, plant and equipment	1,923	1,233	1,923	1,233
- inventories	12,102	8,351	12,080	8,416
Property, plant and equipment expensed-off	2,177	5,503	2,156	5,496
Net realised loss on foreign exchange	—	25,045	—	—
Rental of:				
- land and buildings	8,827	8,160	7,801	7,155
- equipment and motor vehicles	23,763	17,411	14,888	9,413
Staff costs:				
- wages, salaries and others	490,481	441,109	459,240	412,824
- contributions to Employees Provident Fund	62,204	52,283	58,638	49,160
Net unrealised loss on foreign exchange	—	21,993	3,857	5,537
Write-offs of:				
- property, plant and equipment	1,475	220	442	220
- inventories	154	137	154	137
and crediting:				
Dividend income (quoted)				
- associate	—	—	44,367	42,904
Dividend income (unquoted)				
- subsidiaries	—	—	407,453	366,958
- joint ventures	—	—	24,145	130,626
Net gain on disposal of property, plant and equipment*	18,636	2,984	18,636	2,984
Profit from fund investment	117,399	139,586	109,766	131,503
Interest income from term loan due from a joint venture	5,968	9,584	5,968	9,584
Net impairment reversals on expected credit loss	191	88	191	88
Rental income on land and buildings	4,325	5,030	5,277	6,004
Net realised gain on foreign exchange	114	—	6,328	5,341
Net unrealised gain on foreign exchange	12,310	—	—	—

* Comprises of gain on disposal of land amounting to RM18,973,000 (2023: RM2,614,000) in the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

22. FINANCING COSTS

In RM'000	Group		Company	
	2024	2023	2024	2023
Recognised in profit or loss:				
- Lease liabilities	47,094	81,312	535	543
- Islamic financing facility	41,420	44,122	—	—
- Unwinding of discount for provisions	1,379	1,323	475	456
	89,893	126,757	1,010	999
Capitalised into qualifying assets:				
- Lease liabilities	490	567	—	—
- Islamic financing facilities	14,533	46,098	14,102	45,790
	15,023	46,665	14,102	45,790
Total financing costs	104,916	173,422	15,112	46,789

23. TAX EXPENSE

In RM'000	Group		Company	
	2024	2023	2024	2023
Current tax expenses				
Current year	334,404	420,918	327,772	413,835
Under provision in prior years	18,422	20,344	18,316	20,036
Total current tax expenses	352,826	441,262	346,088	433,871
Deferred tax expenses				
Origination and reversal of temporary differences	78,235	48,652	23,916	325
Under/(Over) provision in prior years	5,637	(4,938)	5,343	(5,473)
Total deferred tax expenses	83,872	43,714	29,259	(5,148)
Total tax expenses	436,698	484,976	375,347	428,723

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

23. TAX EXPENSE (continued)

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

Group In RM'000	%	2024	%	2023
Profit before taxation		2,360,346		2,386,015
Taxation at Malaysian statutory tax rate	24.0	566,483	24.0	572,644
Share of results of joint ventures and associate	(1.5)	(35,349)	(2.4)	(57,380)
Non-deductible expenses, net of non-assessable income	0.7	16,261	0.8	18,987
Tax incentive	(2.5)	(60,220)	—	—
Tax exempt income	(0.2)	(4,554)	—	—
Income not subjected to tax due to tax incentives granted	(3.0)	(69,982)	(2.7)	(64,680)
	17.5	412,639	19.7	469,571
Under provision in prior years		24,059		15,405
Tax expense		436,698		484,976

Company In RM'000	%	2024	%	2023
Profit before taxation		2,177,352		2,230,852
Taxation at Malaysian statutory tax rate	24.0	522,564	24.0	535,404
Non-deductible expenses, net of non-assessable income	0.4	8,129	0.4	8,473
Tax incentive	(2.8)	(60,220)	—	—
Tax exempt income	(5.5)	(118,785)	(5.8)	(129,717)
	16.1	351,688	18.6	414,160
Under provision in prior years		23,659		14,563
Tax expense		375,347		428,723

NOTES TO THE FINANCIAL STATEMENTS

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24. DIVIDENDS

In RM'000	Company	
	2024	2023
Ordinary		
Interim paid:		
2022 - Fourth interim dividend of 22 sen per ordinary share	—	435,321
2023 - First interim dividend of 16 sen per ordinary share	—	316,597
2023 - Second interim dividend of 16 sen per ordinary share	—	316,597
2023 - Third interim dividend of 18 sen per ordinary share	—	356,172
2023 - Fourth interim dividend of 22 sen per ordinary share	435,321	—
2024 - First interim dividend of 16 sen per ordinary share	316,597	—
2024 - Second interim dividend of 16 sen per ordinary share	316,597	—
2024 - Third interim dividend of 18 sen per ordinary share	356,172	—
	1,424,687	1,424,687

The Directors had on 21 February 2025 declared a fourth interim dividend of 22 sen per ordinary share amounting to RM435,321,000 in respect of the financial year ended 31 December 2024. The financial statements for the current financial year do not reflect these declared interim dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2025.

The net dividend per ordinary share for the respective financial year ended 31 December takes into account the total interim dividends declared as follows:

In Sen	Company	
	2024	2023
Declared and paid - net		
First interim dividend per ordinary share	16	16
Second interim dividend per ordinary share	16	16
Third interim dividend per ordinary share	18	18
	50	50
Declared but not paid - net		
Fourth interim dividend per ordinary share	22	22
	72	72

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25. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per ordinary share was based on the Group's net profit attributable to shareholders of the Company of RM1,836,339,000 (2023: RM1,819,600,000), over the number of ordinary shares outstanding during the year of 1,978,732,000 (2023: 1,978,732,000).

Diluted earnings per share

The Company has not issued any dilutive potential ordinary shares, hence, the diluted EPS is the same as the basic EPS.

In Sen	Company	
	2024	2023
Basic and diluted earnings per ordinary share	92.8	92.0

26. CAPITAL COMMITMENTS

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

In RM'000	Group		Company	
	2024	2023	2024	2023
Property, plant and equipment				
Approved and contracted for				
Less than one year	666,093	241,522	287,504	101,016
Between one and five years	208,153	235,667	104,112	52,479
	874,246	477,189	391,616	153,495
Approved but not contracted for				
Less than one year	1,175,140	1,429,408	1,078,257	1,269,014
Between one and five years	3,551,945	3,502,151	3,214,977	2,890,779
	4,727,085	4,931,559	4,293,234	4,159,793
	5,601,331	5,408,748	4,684,850	4,313,288
Share of capital expenditure of joint ventures				
Approved and contracted for				
Less than one year	90,639	4,011	—	—
Between one and five years	345,000	—	—	—
	435,639	4,011	—	—
Approved but not contracted for				
Less than one year	126,938	7,493	—	—
Between one and five years	6,153	6,637	—	—
	133,091	14,130	—	—
	568,730	18,141	—	—
Total commitments	6,170,061	5,426,889	4,684,850	4,313,288

NOTES TO THE FINANCIAL STATEMENTS

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27. RELATED PARTY DISCLOSURES

Significant transactions with related parties

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

The Group's and the Company's related parties include subsidiaries, joint ventures, associate, as well as the holding and ultimate holding company, PETRONAS and its related entities. The Group's related parties also include Government of Malaysia and its related entities as the Company's holding company, PETRONAS is wholly-owned by the Government of Malaysia.

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

Key management personnel compensation

In RM'000	Group and Company	
	2024	2023
Directors		
- Fees	811	957
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	39	19
	850	976

In addition to directors' compensation paid directly as above, the Company paid to the holding company fees for representation on the Board of Directors and reimbursement of key management personnel costs and benefits as disclosed below.

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

In RM'000	Group		Company	
	2024	2023	2024	2023
Government of Malaysia's related entities:				
Tenaga Nasional Berhad				
- Sales of industrial utilities	51,214	40,807	51,214	40,807
- Purchase of electricity	(63,000)	(48,585)	(32,986)	(21,285)
TNB Repair and Maintenance Sdn. Bhd.				
- Provision of repair and maintenance services	(42,515)	(29,028)	(42,515)	(29,028)

NOTES TO THE FINANCIAL STATEMENTS

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27. RELATED PARTY DISCLOSURES (continued)

In RM'000	Group		Company	
	2024	2023	2024	2023
Holding company:				
- Gas processing fee income	1,796,584	1,702,961	1,796,584	1,702,961
- Interest income from fund investments	87,633	128,406	85,342	125,749
- Internal gas consumption performance incentive	69,399	69,242	69,399	69,242
- Gas transportation fee income	—	2,089	—	2,089
- Insurance claim	958	553	958	553
- Staff secondment services	(447,967)	(448,637)	(420,283)	(419,645)
- Information, communication and technology charges	(74,354)	(57,583)	(66,746)	(54,209)
- Insurance expense	(32,153)	(32,790)	(27,433)	(27,961)
- Staff medical expense	(21,558)	(24,340)	(20,013)	(24,254)
- Financial services	(16,171)	(10,568)	(11,221)	(9,207)
- Corporate security charges	(11,029)	(11,120)	(9,108)	(9,077)
- Supply chain and management services	(9,796)	(14,034)	(9,385)	(13,371)
- Rental of office premises	(7,318)	(6,693)	(7,318)	(6,693)
- Reimbursement of key management costs	(2,089)	(1,753)	(2,089)	(1,753)
- Fees for representation on the Board of Directors	(643)	(660)	(643)	(660)
Related companies:				
CEFS Response				
- Contribution for emergency response services	(12,611)	(11,571)	(2,889)	(11,564)
Gas Asia Terminal (L) Pte. Ltd.				
- Time charter services	(123,058)	(1,236,465)	—	—
MISC Berhad				
- Vessel Commitment Fee	(17,823)	(1,168)	—	—
PCG PCC Oxyalkylates Sdn Bhd				
- Sales of industrial utilities	15,379	1,046	15,379	1,046
Pengerang Power Sdn. Bhd.				
- Purchase of electricity	(37,544)	(37,070)	—	—
PETCO Trading Labuan Co. Ltd.				
- LPG import and export service income	6,543	6,543	6,543	6,543
PETRONAS Chemicals Ammonia Sdn. Bhd.				
- Sales of industrial utilities	264,667	279,004	264,667	279,004
PETRONAS Chemicals Aromatics Sdn. Bhd.				
- Sales of industrial utilities	84,671	81,503	84,671	81,503
PETRONAS Chemicals Derivatives Sdn. Bhd.				
- Sales of industrial utilities	788,058	809,311	788,058	809,311
PETRONAS Chemicals Ethylene Sdn. Bhd.				
- Sales of industrial utilities	17,607	17,652	17,607	17,652
PETRONAS Chemicals LDPE Sdn. Bhd.				
- Sales of industrial utilities	136,645	149,659	136,645	149,659
PETRONAS Chemicals Marketing Labuan Ltd.				
- Purchase of hydrogen	(5,138)	(8,967)	(5,138)	(8,967)

NOTES TO THE FINANCIAL STATEMENTS

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27. RELATED PARTY DISCLOSURES (continued)

In RM'000	Group		Company	
	2024	2023	2024	2023
Related companies (continued):				
PETRONAS Chemicals MTBE Sdn. Bhd.				
- Sales of industrial utilities	238,286	263,712	238,286	263,571
PETRONAS Digital Sdn. Bhd.				
- Information, communication and technology	(18,255)	(21,322)	(16,754)	(15,130)
PETRONAS Energy and Gas Trading Sdn. Bhd.				
- Regasification fee income	1,330,352	1,327,666	—	—
- Gas transportation fee income	1,175,648	1,132,228	1,175,648	1,132,228
- Reloading income	10,913	10,649	—	—
- LNG truck loading income	9,893	10,755	—	—
- Purchase of fuel gas	(1,468,671)	(1,562,455)	(1,468,671)	(1,562,455)
- Purchase of gas for internal gas consumption	(181,007)	(218,191)	(178,285)	(202,503)
PETRONAS Global Technical Services Sdn. Bhd.				
- Technical manpower services	(16,622)	(5,629)	—	—
- Project management consultancy	—	(755)	—	—
PETRONAS Lubricants Marketing Sdn. Bhd.				
- Purchase of petroleum products	(4,853)	(5,093)	(4,573)	(4,926)
PETRONAS Refinery and Petrochemical Sdn. Bhd.				
- Information, Communication and Technology Services	(5,515)	(3,729)	—	—
PETRONAS Technical Services Sdn. Bhd.				
- Technical consultancy fees	(133,656)	(104,698)	(126,474)	(104,406)
PETRONAS Technical Training Sdn. Bhd.				
- Training and development related costs	(12,107)	(9,536)	(11,726)	(9,257)
Sungai Udang Port Sdn. Bhd.				
- Marine services	(6,767)	(6,475)	—	—
Subsidiaries:				
Regas Terminal (Sg. Udang) Sdn. Bhd.				
- Management fee income	—	—	3,979	3,654
- Pipeline maintenance fee income	—	—	1,771	1,670
- Technical and engineering services fee income	—	—	2,257	1,044
- Annual access right fee income	—	—	417	447
- Rental office income	—	—	256	225
- Rental warehouse income	—	—	80	103
Pengerang LNG (Two) Sdn. Bhd.				
- Management fee income	—	—	4,106	3,852
- Technical and engineering services fee income	—	—	2,473	870
- Rental office income	—	—	199	199
- Pipeline maintenance fee income	—	—	77	69
Regas Terminal (Pengerang) Sdn. Bhd.				
- Management fee income	—	—	1,997	—
Sipitang Utilities Sdn. Bhd.				
- Management fee income	—	—	429	219
- Manpower charge	—	—	631	231

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

27. RELATED PARTY DISCLOSURES (continued)

In RM'000	Group		Company	
	2024	2023	2024	2023
Joint ventures:				
Industrial Gases Solutions Sdn. Bhd.				
- Sales of industrial utilities	12,638	12,699	12,638	12,699
- Purchase of nitrogen	(10,611)	(7,882)	(9,955)	(7,844)
Kimanis Power Sdn. Bhd.				
- Secondment fee income	1,710	1,813	1,710	1,813
Pengerang Gas Solutions Sdn. Bhd.				
- Interest income	5,968	9,584	5,968	9,584
- Secondment fee income	1,070	642	1,070	642
- Management fee income	538	277	538	277
Joint ventures and associates of the holding company and related companies:				
BASF PETRONAS Chemicals Sdn. Bhd.				
- Sales of industrial utilities	175,517	186,077	175,517	186,077
Ineos PCG Acetyls Sdn. Bhd.				
- Sales of industrial utilities	47,363	44,797	47,363	44,797
Kertih Terminals Sdn. Bhd.				
- Sales of industrial utilities	8,249	8,355	8,249	8,355
Pengerang Terminals (Two) Sdn. Bhd.				
- Jetty usage charges	(88,301)	(69,176)	—	—
Trans Thai-Malaysia (Malaysia) Sdn. Bhd.				
- Right of way and maintenance fees income	6,503	5,304	6,503	5,304

Included in the fees for representation on the Board of Directors are fees paid directly to holding company in respect of certain directors who are appointees of the holding company.

Information regarding outstanding balances at reporting date arising from related party transactions are disclosed in Note 7, Note 11, Note 16, Note 18 and Note 19.

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

28. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Operating Decision Maker which is the Board of Directors, reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Gas processing – activities include processing of natural gas into sales gas and other by-products such as ethane, propane and butane.
- Gas transportation – activities include transportation of processed gas to shippers' end customers and provision of operations and maintenance services.
- Regasification – activities include regasification of liquefied natural gas ("LNG") and provision of ancillary services comprising LNG reloading, truck loading and gassing up and cooling down services.
- Utilities – activities include manufacturing, marketing and supplying of industrial utilities.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

28. OPERATING SEGMENTS (continued)

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

Segment results refer to segment gross profit. The total segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses mainly comprise forex gain or loss, other corporate income and expenses.

The total of segment assets are measured based on all assets of a segment, excluding interest bearing assets and corporate assets as these are managed on a group basis.

The segmental information in respect of the joint ventures and associate is not presented as the contribution of the joint ventures and associate and the carrying amounts of investment in the associate and joint ventures have been reflected in the statement of profit or loss and other comprehensive income and statement of financial position of the Group. Details of the joint ventures and associate are disclosed in Note 35 and Note 36 to the financial statements respectively.

Segment capital expenditure is the total cost incurred during the period to acquire non-current assets that are expected to be used for more than one period, other than financial instruments and deferred tax assets.

Group Business Segments 2024 In RM'000	Gas Processing	Gas Transportation	Gas Regasification	Utilities	Total
Revenue	1,872,525	1,199,561	1,355,240	2,110,919	6,538,245
Segment results	801,073	592,660	599,819	283,791	2,277,343
Unallocated income					25,608
Operating profit					2,302,951
Financing costs					(89,893)
Share of profit after tax of equity-accounted joint ventures and associate					147,288
Profit before taxation					2,360,346
Tax expense					(436,698)
Profit for the year					1,923,648
Included in the measure of segment profit are:					
Depreciation and amortisation	(506,493)	(129,148)	(392,380)	(146,924)	(1,174,945)
Unallocated depreciation and amortisation	—	—	—	—	1,717

NOTES TO THE FINANCIAL STATEMENTS

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28. OPERATING SEGMENTS (continued)

Group Business Segments 2023 In RM'000	Gas Processing	Gas Transportation	Gas Regasification	Utilities	Total
Revenue	1,778,200	1,144,124	1,352,275	2,170,824	6,445,423
Segment results	796,485	562,219	637,610	290,693	2,287,007
Unallocated expense					(13,319)
Operating profit					2,273,688
Financing costs					(126,757)
Share of profit after tax of equity-accounted joint ventures and associate					239,084
Profit before taxation					2,386,015
Tax expense					(484,976)
Profit for the year					1,901,039
Included in the measure of segment profit are:					
Depreciation and amortisation	(512,248)	(111,018)	(384,960)	(134,828)	(1,143,054)
Unallocated depreciation and amortisation	—	—	—	—	1,655

Group Business Segments 2024 In RM'000	Gas Processing	Gas Transportation	Gas Regasification	Utilities	Total
Segment assets	4,435,464	4,349,926	4,473,680	1,779,000	15,038,070
Investment in joint ventures					939,805
Investment in associate					209,783
Unallocated assets					2,567,001
Total assets					18,754,659
Included in the measure of segment assets are:					
Capital expenditure	366,517	635,556	120,876	335,232	1,458,181
Unallocated capital expenditure	—	—	—	—	4,107

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28. OPERATING SEGMENTS (continued)

Group Business Segments 2023 In RM'000	Gas		Regasification	Utilities	Total
	Processing	Transportation			
Segment assets	4,627,242	3,845,592	4,852,313	1,491,979	14,817,126
Investment in joint ventures					833,584
Investment in associate					186,519
Unallocated assets					3,482,049
Total assets					19,319,278

Included in the measure of segment assets are:

Capital expenditure	602,254	467,616	92,066	63,587	1,225,523
Unallocated capital expenditure	—	—	—	—	(3,523)

Major customers

The following are major customers with revenue that contribute to equal or more than 10 percent of Group revenue:

Group In RM'000	Segment	2024	2023
- PETRONAS Energy and Gas Trading Sdn. Bhd.	Gas Transportation and Regasification	2,520,521	2,468,455
- PETRONAS	Gas Processing and Gas Transportation	1,865,983	1,773,746
- PETRONAS Chemicals Group Berhad	Utilities	1,533,256	1,604,676

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

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

- (i) Amortised cost ("AC"); and
- (ii) Fair value through profit or loss ("FVTPL")
– Mandatorily required by MFRS 9

Group 2024 In RM'000	Note	AC	FVTPL - mandatorily at FVTPL	Total carrying amount
Financial assets				
Long-term receivable*	7	2,000	—	2,000
Trade and other receivables*	11	924,481	3,681	928,162
Cash and cash equivalents	12	2,595,705	—	2,595,705
		3,522,186	3,681	3,525,867
Financial liabilities				
Borrowings*	16	(1,285,000)	—	(1,285,000)
Trade and other payables*	19	(1,382,227)	(757)	(1,382,984)
		(2,667,227)	(757)	(2,667,984)

Group 2023 In RM'000	Note	AC	FVTPL - mandatorily at FVTPL	Total carrying amount
Financial assets				
Long-term receivable*	7	69,566	—	69,566
Trade and other receivables*	11	885,575	2	885,577
Cash and cash equivalents	12	3,527,943	—	3,527,943
		4,483,084	2	4,483,086
Financial liabilities				
Borrowings*	16	(2,564,348)	—	(2,564,348)
Trade and other payables*	19	(1,094,379)	(80)	(1,094,459)
		(3,658,727)	(80)	(3,658,807)

* These balances exclude non-financial instrument balances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

Company 2024 In RM'000	Note	AC	FVTPL - mandatorily at FVTPL	Total carrying amount
Financial assets				
Trade and other receivables*	11	814,116	3,681	817,797
Cash and cash equivalents	12	2,451,008	—	2,451,008
		3,265,124	3,681	3,268,805
Financial liabilities				
Trade and other payables*	19	(1,164,970)	—	(1,164,970)
		(1,164,970)	—	(1,164,970)

Company 2023 In RM'000	Note	AC	FVTPL - mandatorily at FVTPL	Total carrying amount
Financial assets				
Long-term receivable*	7	69,566	—	69,566
Trade and other receivables*	11	769,286	2	769,288
Cash and cash equivalents	12	3,376,925	—	3,376,925
		4,215,777	2	4,215,779
Financial liabilities				
Borrowings*	16	(1,169,348)	—	(1,169,348)
Trade and other payables*	19	(966,484)	(4)	(966,488)
		(2,135,832)	(4)	(2,135,836)

* These balances exclude non-financial instrument balances.

Financial risk management

The Group and the Company are exposed to various risks that are particular to its core business which consists of separating natural gas into its components and storing, transporting and distributing such components thereof for a fee, the sale of industrial utilities and the regasification of liquefied natural gas for a fee. These risks, which arise in the normal course of the Group's and the Company's business, comprise counterparty credit risk, liquidity risk and market risk relating to interest rates and foreign exchange risk.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Credit risk

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

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

(i) Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group and the Company minimise credit risk by entering into contracts with highly rated counterparties. Potential counterparties are subject to credit assessment and approval prior to any transaction being concluded and existing counterparties are subject to regular reviews, including re-appraisal and approval of granted limits where applicable. The creditworthiness of counterparties is assessed based on an analysis of all available quantitative and qualitative data regarding business risks and financial standing, together with the review of any relevant third party and market information. Reports are prepared and presented to the management that cover the Group's overall credit exposure against portfolio level risk appetite.

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

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

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

Exposure to credit risk, credit quality and collateral

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

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

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

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

Concentration of credit risk

As at the reporting date, significant receivables relate to amounts due from holding company and amounts due from related companies.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Trade receivables (continued)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

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

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

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

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 31 December 2024 which are grouped together as they are expected to have similar risk nature.

Group 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Excellent		459,992	—	459,992
Good		335,261	(12)	335,249
Fair		16,253	—	16,253
Amounts not subject to loss allowances*		(777)	—	(777)
		810,729	(12)	810,717
Representing				
Trade receivables	11	810,729	(12)	810,717

Group 2023 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Excellent		433,701	—	433,701
Good		344,044	(14)	344,030
Fair		12,467	—	12,467
Amounts not subject to loss allowances*		(935)	—	(935)
		789,277	(14)	789,263
Representing				
Trade receivables	11	789,277	(14)	789,263

* Amounts not subject to loss allowances relates to credit notes issued to customers.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Company 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Excellent		459,992	—	459,992
Good		221,026	(12)	221,014
Fair		16,253	—	16,253
Amounts not subject to loss allowances*		(777)	—	(777)
		696,494	(12)	696,482
Representing				
Trade receivables	11	696,494	(12)	696,482

Company 2023 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Excellent		433,701	—	433,701
Good		227,901	(14)	227,887
Fair		12,467	—	12,467
Amounts not subject to loss allowances*		(935)	—	(935)
		673,134	(14)	673,120
Representing				
Trade receivables	11	673,134	(14)	673,120

* Amounts not subject to loss allowances relates to credit notes issued to customers.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The ageing of trade receivables as at the reporting date is analysed below.

In RM'000	Note	Group		Company	
		2024	2023	2024	2023
At net					
Current		810,729	789,277	696,494	673,134
Past due 1 to 30 days		—	—	—	—
Past due 31 to 60 days		—	—	—	—
Past due 61 to 90 days		—	—	—	—
Past due more than 90 days		—	—	—	—
		810,729	789,277	696,494	673,134
Representing:					
Trade receivables	11	35,767	37,043	35,767	37,043
Amount due from holding company	11.1	163,826	156,896	163,826	156,896
Amount due from subsidiaries	11.2	—	—	457	422
Amount due from joint ventures and associate	11.3	1,075	1,272	1,075	1,272
Amount due from related companies	11.4	565,457	554,475	450,765	437,910
Amount due from related parties	11.5	44,604	39,591	44,604	39,591
		810,729	789,277	696,494	673,134

Other receivables

Credit risks on other receivables are mainly arising from term loan due from a joint venture company. The term loan due from a joint venture has fixed terms of repayment as disclosed in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. The Group and the Company have provided allowances for expected credit losses on these amounts. The movements in the allowance for impairment losses of receivables during the year are as follows:

2024 In RM'000	Trade receivables	Other receivables	Total
Group			
Opening balance	(14)	(264)	(278)
Impairment reversal recognised	2	189	191
Closing balance	(12)	(75)	(87)
Company			
Opening balance	(14)	(264)	(278)
Impairment reversal recognised	2	189	191
Closing balance	(12)	(75)	(87)

(ii) Fund investments

Risk management objectives, policies and processes for managing the risk

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

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

Exposure to credit risk, credit quality and collateral

As at the reporting date, the maximum exposure to credit risk arising from fund investments is represented by the carrying amounts in the statement of financial position.

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

While the fund investments are unsecured, the Group and the Company do not expect any of the counterparties to fail to meet their obligations in view of their sound credit ratings.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Group and the Company will have insufficient funds to meet financial commitments in a timely manner. The Group's and the Company's exposure to liquidity risk arise principally from its trade and other payables and borrowings. In managing its liquidity risk, the Group and the Company maintain sufficient cash and liquid marketable assets.

The Group's and the Company's borrowing power is not limited by the Company's and respective Group entities' constitutions. However, certain borrowing covenants impose limited restrictions on some of the debt level of the Group and the Company.

Maturity analysis

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

Group 2024 In RM'000	Carrying amount	Contractual profit per annum/ discount rate %	Contractual cash flows [^]	
			Within 1 year	
Islamic Murabahah Medium Term Notes	1,285,000	2.03 to 3.74	1,596,270	159,739
Lease liabilities	562,402	4.27 to 8.40	1,067,222	59,480
Trade and other payables*	1,382,984	—	1,382,984	1,382,984
	3,230,386		4,046,476	1,602,203

Group 2024 In RM'000	Contractual cash flows [^]		
	1-2 years	2-5 years	More than 5 years
Islamic Murabahah Medium Term Notes	136,751	379,274	920,506
Lease liabilities	59,665	179,074	769,003
Trade and other payables*	—	—	—
	196,416	558,348	1,689,509

[^] The contractual cash flow is inclusive of the principal and interest payments.

* These balances exclude non-financial instrument balances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2024 In RM'000	Carrying amount	Contractual profit per annum/ discount rate %	Contractual cash flows [^]	
			Within 1 year	
Lease liabilities	6,474	8.20	13,836	640
Trade and other payables*	1,164,970	—	1,164,970	1,164,970
	1,171,444		1,178,806	1,165,610

Company 2024 In RM'000	Contractual cash flows [^]		
	1-2 years	2-5 years	More than 5 years
Lease liabilities	640	1,921	10,635
Trade and other payables*	—	—	—
	640	1,921	10,635

Group 2023 In RM'000	Carrying amount	Contractual profit per annum/ discount rate %	Contractual cash flows [^]	
			Within 1 year	
Islamic Murabahah Medium Term Notes	1,395,000	2.37 to 3.74	1,748,500	152,230
Commodity Murabahah Term Financing	1,169,348	3.46 to 4.18	1,181,488	1,181,488
Lease liabilities	588,121	8.10 to 8.40	1,155,154	61,292
Trade and other payables*	1,094,459	—	1,094,459	1,094,459
	4,246,928		5,179,601	2,489,469

Group 2023 In RM'000	Contractual cash flows [^]		
	1-2 years	2-5 years	More than 5 years
Islamic Murabahah Medium Term Notes	159,739	397,526	1,039,005
Commodity Murabahah Term Financing	—	—	—
Lease liabilities	61,292	183,876	848,694
Trade and other payables*	—	—	—
	221,031	581,402	1,887,699

[^] The contractual cash flow is inclusive of the principal and interest payments.

* These balances exclude non-financial instrument balances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2023 In RM'000	Carrying amount	Contractual profit per annum/ discount rate %	Contractual cash flows [^]	
			Within 1 year	
Commodity Murabahah Term Financing	1,169,348	3.46 to 4.18	1,181,488	1,181,488
Lease liabilities	6,587	8.20	14,476	640
Trade and other payables*	966,488	—	966,488	966,488
	2,142,423		2,162,452	2,148,616

Company 2023 In RM'000	Contractual cash flows [^]		
	1-2 years	2-5 years	More than 5 years
Commodity Murabahah Term Financing	—	—	—
Lease liabilities	640	1,921	11,275
Trade and other payables*	—	—	—
	640	1,921	11,275

[^] The contractual cash flow is inclusive of the principal and interest payments.

* These balances exclude non-financial instrument balances.

Market risk

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

Interest rate risk

The Group's and the Company's investments in fixed rate debt instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and 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.

All interest rate exposures are monitored and managed proactively in line with PETRONAS's policies and guidelines.

The Group and the Company are also exposed to the ongoing interbank offered rates ("IBOR") reforms on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group's and the Company's main IBOR exposure are indexed to USD LIBOR which was discontinued on 30 June 2023. The alternative benchmark rate is indexed to Secured Overnight Financing Rate (SOFR). The Group via its ultimate holding company has established a LIBOR Transition Project Steering Committee which monitors and manages the PETRONAS Group wide transition to alternative benchmark rates by the cessation date with an aim to achieve economically equivalent transactions and minimal impact upon transition. As at reporting date, transitional activities are completed and have applied the practical expedients to negotiate contracts for which the benchmark rate had been replaced to SOFR.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Interest rate risk (continued)

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

In RM'000	Group		Company	
	2024	2023	2024	2023
Fixed rate instruments				
Financial assets	1,106,791	652,134	1,086,976	628,210
Financial liabilities	(1,847,402)	(1,983,121)	(6,474)	(6,587)
	(740,611)	(1,330,987)	1,080,502	621,623
Floating rate instruments				
Financial assets	1,556,370	3,004,019	1,431,488	2,876,925
Financial liabilities	—	(1,169,348)	—	(1,169,348)
	1,556,370	1,834,671	1,431,488	1,707,577

All interest rate exposures are monitored and managed proactively in line with PETRONAS' policies and guidelines.

Cash flow sensitivity analysis for variable rate instruments

A change of basis points (b.p.s) in interest rates for financial assets and financial liabilities respectively at the end of the reporting period would have increased pre-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

In RM'000	Group		Company	
	2024	2023	2024	2023
Changes in interest b.p.s (+/-)				
Financial assets	50 b.p.s	50 b.p.s	50 b.p.s	50 b.p.s
Financial liabilities	50 b.p.s	50 b.p.s	50 b.p.s	50 b.p.s
Gain	7,782	9,173	7,157	8,538

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group and the Company are exposed to varying levels of foreign currency risk when they enter into transactions that are not denominated in the respective companies' functional currencies and/or when foreign currency monetary assets and liabilities are translated at the reporting date.

The Group and the Company operate predominantly in Malaysia and transact mainly in Ringgit Malaysia.

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

The Group's and the Company's significant exposure to foreign currency risk (a currency which is other than the functional currency of the Group entities), based on carrying amounts as at the reporting date are as follows:

Group In RM'000	2024	2023
Denominated in USD		
Financial assets		
Long-term receivable	—	69,566
Trade and other receivables	92,268	83,951
	92,268	153,517
Financial liabilities		
Lease liabilities	(544,146)	(574,620)
Trade and other payables	(37,893)	(21,701)
	(582,039)	(596,321)
Net exposure	(489,771)	(442,804)
Company		
In RM'000		
Denominated in USD		
Financial assets		
Long-term receivable	—	69,566
Trade and other receivables	80,417	72,287
	80,417	141,853
Financial liabilities		
Trade and other payables	(32,321)	(7,199)
Net exposure	48,096	134,654

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Currency risk sensitivity analysis

Sensitivity analysis for a given market variable provided in this note, discloses the effect on profit or loss as at 31 December 2024 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2024 and been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes in price on profit or loss and equity to the next annual reporting date. Reasonably possible changes in market variables used in the sensitivity analysis are based on implied volatilities, where available, or historical data for equity and commodity prices and foreign exchange rates. Reasonably possible changes in interest rates are based on management judgment and historical experience.

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

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

In RM'000	Appreciation in foreign currency rate %	Group Effect on profit/(loss)	Company Effect on profit/(loss)
2024			
USD	10	(48,977)	4,810
2023			
USD	10	(44,280)	13,465

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Fair value information

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

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

Group 2024 In RM'000	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
Financial assets				
Long-term receivable	—	2,000	2,000	2,000
Derivative assets	3,681	—	3,681	3,681
	3,681	2,000	5,681	5,681
Financial liabilities				
Islamic financing facility	—	(1,168,655)	(1,168,655)	(1,285,000)
Derivative liabilities	(757)	—	(757)	(757)
	(757)	(1,168,655)	(1,169,412)	(1,285,757)

Group 2023 In RM'000	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
Financial assets				
Long-term receivable	—	72,002	72,002	69,566
Derivative assets	2	—	2	2
	2	72,002	72,004	69,568
Financial liabilities				
Islamic financing facilities	—	(2,433,065)	(2,433,065)	(2,564,348)
Derivative liabilities	(80)	—	(80)	(80)
	(80)	(2,433,065)	(2,433,145)	(2,564,428)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Company 2024 In RM'000	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
Financial assets				
Derivative assets	3,681	—	3,681	3,681

Company 2023 In RM'000	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
Financial assets				
Long-term receivable	—	72,002	72,002	69,566
Derivative assets	2	—	2	2
	2	72,002	72,004	69,568
Financial liabilities				
Islamic financing facility	—	(1,169,348)	(1,169,348)	(1,169,348)
Derivative liabilities	(4)	—	(4)	(4)
	(4)	(1,169,348)	(1,169,352)	(1,169,352)

The calculation of fair value for derivative and non-derivative assets and liabilities within financial instruments depends on the type of instruments as follows:

- Fair value of non-derivative financial instruments, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.
- Fair value of forward exchange contracts are estimated by discounting the difference between the forward exchange rates and the contractual rate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

29. FINANCIAL INSTRUMENTS (continued)

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

Group In RM'000	Interest income	Interest expense	Others	Total
2024				
Financial assets at amortised cost	123,367	—	(2,958)	120,409
Financial asset at fair value through profit or loss	—	—	4,375	4,375
Financial liabilities at amortised cost	—	(41,420)	1,126	(40,294)
Financial liabilities at fair value through profit or loss	—	—	(7,240)	(7,240)
Total	123,367	(41,420)	(4,697)	77,250

2023

Financial assets at amortised cost	149,170	—	(14,358)	134,812
Financial liabilities at amortised cost	—	(44,122)	(5,333)	(49,455)
Financial liabilities at fair value through profit or loss	—	—	22,493	22,493
Total	149,170	(44,122)	2,802	107,850

Company In RM'000	Interest income	Interest expense	Others	Total
2024				
Financial asset at amortised cost	115,734	—	(2,846)	112,888
Financial liabilities at fair value through profit or loss	—	—	4,375	4,375
Financial liabilities at amortised cost	—	—	942	942
Total	115,734	—	2,471	118,205

2023

Financial asset at amortised cost	141,087	—	864	141,951
Financial liabilities at amortised cost	—	—	(1,246)	(1,246)
Financial liabilities at fair value through profit or loss	—	—	186	186
Total	141,087	—	(196)	140,891

30. CAPITAL MANAGEMENT

The Group and the Company define capital as their total equity and debt. The objective of the Group's and the Company's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to meet financial obligations, support business growth and maximise shareholders' value. As a subsidiary of PETRONAS, the Company's approach in managing capital is outlined in the PETRONAS Financial Policy.

The Group and the Company monitor and maintain a prudent level of total debt to total asset ratio to optimise shareholders' value and to ensure compliance with covenants under debt and shareholders' agreements and regulatory requirements, if any.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

31. ADOPTION OF REVISED PRONOUNCEMENTS

During the financial year, the Group and the Company adopted the following pronouncements that have been issued by the MASB and are applicable as listed below:

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-mentioned pronouncements did not have any material impact to the financial statements of the Group and the Company.

32. PRONOUNCEMENTS YET IN EFFECT

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

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

Effective for annual periods beginning on or after 1 January 2026

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

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*

Effective for a date yet to be confirmed

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

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

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*, which retains majority of the requirements of MFRS 101 and complementing them with new requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

32. PRONOUNCEMENTS YET IN EFFECT (continued)

MFRS 18 Presentation and Disclosure in Financial Statements (continued)

MFRS 18 introduces new key requirements as follows:

i. Statement of Profit or Loss and Other Comprehensive Income:

The standard requires reclassification of all income and expenses within the statement of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard also requires to present a newly-defined operating profit subtotal, and the net profit will not change.

ii. Statement of Cash Flows:

The standard requires to disclose the starting point for cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and the optionality around classification of cash flows from dividends and interest are removed.

iii. Management-defined Performance Measures ("MPMs") and guidance on Aggregation and Disaggregation:

The standard requires MPMs are disclosed in a single note in the financial statements and enhanced guidance is provided on aggregation and disaggregation of financial information.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

33. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE COMPANY

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

Effective for annual periods beginning on or after 1 January 2026

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

Effective for annual periods beginning on or after 1 January 2027

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

34. SUBSIDIARIES AND ACTIVITIES

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest	
			2024 %	2023 %
Subsidiaries of the Company				
Regas Terminal (Sg. Udang) Sdn. Bhd.	Own and operate LNG regasification terminal	Malaysia	100	100
Regas Terminal (Pengerang) Sdn. Bhd.	Design, build, own and lease LNG air separation unit facilities	Malaysia	100	100
Sipitang Utilities Sdn. Bhd.	Construct, own and operate of power plant for generation of electricity	Malaysia	90	90
Pengerang LNG (Two) Sdn. Bhd.	Own and operate LNG regasification terminal	Malaysia	65	65
PG Energia Sdn. Bhd.*	Investment holding company for utilities business	Malaysia	100	—
PG Gas Processing Sdn. Bhd.*	Dormant	Malaysia	100	—
PG Transco Sdn. Bhd.*	Dormant	Malaysia	100	—
Subsidiaries of PG Energia Sdn. Bhd.				
PG Utilities East Sdn. Bhd.*	Dormant	Malaysia	100	—
Rancha Power Sdn. Bhd.*	Dormant	Malaysia	100	—

* Not audited by KPMG PLT.

35. JOINT VENTURES AND ACTIVITIES

Details of the joint ventures are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest	
			2024 %	2023 %
Kimani Power Sdn. Bhd.*	Generation and sale of electricity	Malaysia	60	60
Kimani O&M Sdn. Bhd.*	Dormant	Malaysia	60	60
Pengerang Gas Solutions Sdn. Bhd.*	Own and operate air separation unit plant	Malaysia	51	51
Industrial Gases Solutions Sdn. Bhd.	Selling, marketing, distribution and promotion of industrial gas	Malaysia	50	50
Kimani Power (Dua) Sdn. Bhd.*^	Generation and sale of electricity	Malaysia	60	—

* Although the Group has more than 50% of the ownership in the equity interest of these entities, the Group has determined that it does not have sole control over these entities considering that strategic and financial decisions of the relevant activities of these entities require unanimous consent by all shareholders.

^ Joint venture of PG Energia Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

INDEPENDENT AUDITORS' REPORT

To The Members of PETRONAS Gas Berhad
(Company No. 198301006447 (101671-H)) (Incorporated in Malaysia)

36. ASSOCIATE AND ACTIVITY

Details of the associate are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest	
			2024 %	2023 %
Gas Malaysia Berhad	Selling, marketing, distribution and promotion of natural gas	Malaysia	14.8	14.8

Although the Group has less than 20% of the ownership in the equity interest of Gas Malaysia Berhad, the Group has determined that it has significant influence over the financial and operating policies of the associate through representation on the Board of Directors.

37. COMPARATIVE

Certain comparative figures have been reclassified to conform with current financial year's presentation, which more appropriately reflects the nature of relevant transactions.

38. HOLDING AND ULTIMATE HOLDING COMPANY

The ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PETRONAS Gas Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 172 to 256.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Capitalisation and componentisation of completed projects

Refer to Note 2.4 – Material accounting policy: Property, plant and equipment and depreciation and Note 3 – Property, plant and equipment.

The Group and the Company have significant property, plant and equipment including project-in-progress recognised as at the end of the reporting period. During the year, the Group and the Company completed significant capital projects and capitalised costs amounting to RM1,858 million and RM1,814 million respectively. Due to the size, complexity and volume of transactions involved in the capitalisation and componentisation process, there is a risk that the costs capitalised are not in accordance of MFRS 116, *Property, Plant and Equipment*. It is a significant area that our audit focuses on because it requires us to exercise judgement in evaluating management's process over the capitalisation and componentisation of the completed projects.

We performed the following audit procedures, among others:

- checked the completion date of project-in-progress to determine that completed projects were capitalised timely;
- evaluated the capitalisation process and determined that costs capitalised met the requirements of MFRS 116;
- evaluated the componentisation process to determine that significant components with different useful lives are depreciated separately; and
- assessed that any borrowing costs capitalised met the requirement of MFRS 123, *Borrowing Costs*.

INDEPENDENT AUDITORS' REPORT

To The Members of PETRONAS Gas Berhad
(Company No. 198301006447 (101671-H)) (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and 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 Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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.

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

To The Members of PETRONAS Gas Berhad
(Company No. 198301006447 (101671-H)) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

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

Other Matter

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

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

Petaling Jaya

Date: 21 February 2025

Lam Shuh Siang
Approval Number: 03045/02/2027J
Chartered Accountant

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Adif Zulkifli
Chairman
Non-Independent Non-Executive Director

Abdul Aziz Othman
Managing Director/Chief Executive Officer

Farina Farikhullah Khan
Senior Independent Non-Executive Director

Datuk Yeow Kian Chai
Independent Non-Executive Director

Datuk Mark Victor Rozario
Independent Non-Executive Director

Sujit Singh Parhar s/o Sukhdev Singh
Independent Non-Executive Director

Marina Md Taib
Non-Independent Non-Executive Director

Hasliza Othman
Non-Independent Non-Executive Director

BOARD AUDIT COMMITTEE

Farina Farikhullah Khan (Chairman)
Datuk Mark Victor Rozario
Sujit Singh Parhar s/o Sukhdev Singh

BOARD SUSTAINABILITY AND RISK COMMITTEE

Datuk Yeow Kian Chai (Chairman)
Farina Farikhullah Khan
Datuk Mark Victor Rozario
Sujit Singh Parhar s/o Sukhdev Singh

NOMINATION AND REMUNERATION COMMITTEE

Datuk Mark Victor Rozario (Chairman)
Datuk Yeow Kian Chai
Farina Farikhullah Khan

SENIOR INDEPENDENT DIRECTOR

Farina Farikhullah Khan
PETRONAS Gas Berhad
Level 67, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur

Email address:
farina.khan@petronas.com.my

COMPANY SECRETARIES

Mek Yam @ Mariam Hassan
SSM Practising Certificate No.
201908000788
(MAICSA 7030578)

Cik Azizahwati Ishak

SSM Practising Certificate No.
202008002944
(MAICSA 7060684)

REGISTERED OFFICE

Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Tel : +(603) 2331 5000

BUSINESS ADDRESS

Level 49 & 50, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Tel : +(603) 2331 5000

INVESTOR RELATIONS

Suriyanti Nordin
Head of Investor Relations
Level 49 & 50, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur

Email address:
ir.petronasgas@petronas.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647
(378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor
Tel : +(603) 7890 4700
Fax : +(603) 7890 4670

Email address:
BSR.Helpdesk@boardroomlimited.com

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
10th Floor, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor
Malaysia
Tel : +(603) 7721 3388
Fax : +(603) 7721 3399

BANKING SERVICES PROVIDER

PETRONAS Integrated Financial Shared Services Centre ("IFSSC")*

PLACE OF INCORPORATION AND DOMICILE

Malaysia

FORM OF LEGAL ENTITY

Incorporated on 23 May 1983 as a private company limited by shares under the Companies Act, 1965 and converted into a public company limited by shares on 28 March 1995

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad
Listing date : 4 September 1995
Stock Name : PETGAS
Stock Code : 6033
Stock Sector : Utilities

WEBSITE

www.petronas.com/pgb

PETRONAS GAS BERHAD

Level 49 & 50
Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel : +(603) 2331 5000
Fax : +(603) 2331 6987/2051 6992

GAS PROCESSING

Gas Processing Plant, Kertih
KM 105, Jalan Kuantan-Kuala Terengganu
24300 Kertih, Kemaman Terengganu
Tel : +(609) 831 2345
Fax : +(609) 827 1710

Gas Processing Plant, Santong

KM 8, Kampung Tok Arun
Off Jalan Santong
23100 Paka, Dungun Terengganu
Tel : +(609) 831 2345
Fax : +(609) 827 4578

Tanjung Sulong Export Terminal

Tanjung Sulong
24000 Kemaman Terengganu
Tel : +(609) 831 2345
Fax : +(609) 863 1146

GAS TRANSPORTATION

Gurun Regional Office
KM 1 Jalan Jeniang
08300 Gurun Kedah
Tel : +(604) 468 5518
Fax : +(604) 468 5519

Kertih Regional Office

KM 105, Jalan Kuantan-Kuala Terengganu
24300 Kertih, Kemaman Terengganu
Tel : +(609) 867 3515

Kuantan Regional Office

Lot 1, Sektor 1, Bandar Indera Mahkota
25200 Kuantan Pahang
Tel : +(60) 139281909

Pasir Gudang Regional Office

PLO 332, Jalan Perak 4
Kawasan Perindustrian Pasir Gudang
81700 Pasir Gudang Johor
Tel : +(607) 251 0333
Fax : +(607) 251 0400

Segamat Operation Centre

KM 10, Lebuhraya Segamat-Kuantan
85000 Segamat Johor
Tel : +(607) 935 3000
Fax : +(607) 931 6521

Seremban Regional Office

KM 11, Jalan Seremban/Tampin
71450 Sungai Gadut Negeri Sembilan
Tel : +(606) 677 6777
Fax : +(606) 677 7799

Shah Alam Regional Office

Lot 1, Jalan Jemuju Lima 16/13E
Kawasan Perindustrian Seksyen 16
40200 Shah Alam Selangor
Tel : +(603) 5510 6222
Fax : +(603) 5510 1528

Sitiawan Regional Office

Lot 33263, Jalan Datuk Ahmad Yunus,
32000 Sitiawan Perak
Tel : +(605) 692 5611
Fax : +(605) 692 5615

REGASIFICATION

Pengerang LNG (Two) Sdn. Bhd.

Tingkat 2
Bangunan Pengerang Terminal (Two) Sdn. Bhd.
Lot PTD 4836, Jalan Damai 2
Kampung Sungai Kapal
81600 Pengerang Johor
Tel : +(607)-817 7672

Regas Terminal (Sg. Udang) Sdn. Bhd.

Pejabat Operasi Regas Terminal
PETRONAS Penapisan Melaka
Persiaran Penapisan
76300 Sungai Udang Melaka
Tel : +(606) 352 6007

UTILITIES

Utilities Plant, Kertih
Kertih Integrated Petrochemical Complex
KM 105, Jalan Kuantan-Kuala Terengganu
24300 Kertih, Kemaman Terengganu
Tel : +(609) 831 2345

Utilities Plant, Gebeng

Lot 139A,
Gebeng Industrial Area Fasa III
26080 Kuantan Pahang
Tel : +(609) 831 2345

JOINT VENTURES

Kimanis Power Sdn. Bhd.

KM 48, Kg. Batu Pungit
89607 Kimanis, Papar Sabah
Tel : +(6088) 909000
Fax : +(6088) 909139

Pengerang Gas Solutions Sdn. Bhd.

Lot 137, ASU RAPID
Pengerang Integrated Complex
81600 Pengerang Johor
Tel : +(607) 817 5915

* Banking requirements are managed centrally by IFSSC (except for Finance Service Reserve Account and Sukuk Trustees' Reimbursement Account of a subsidiary) to enable more efficient banking management for PGB Group.

ANALYSIS OF SHAREHOLDINGS

as at 28 February 2025

SHARE CAPITAL

Share Capital : RM1,978,731,915 comprising 1,978,731,915 ordinary shares
Class of Shares : Ordinary Shares
Voting Rights : One Vote Per Ordinary Share (on a poll)

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders		No. of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1 to 99	2,574	26	10,443	297	0.001	0.000
100 to 1,000	8,207	164	6,196,611	91,389	0.313	0.005
1,001 to 10,000	2,178	176	6,991,531	803,104	0.353	0.041
10,001 to 100,000	208	310	7,160,900	12,496,969	0.362	0.632
100,001 to 98,936,595 (*)	112	231	399,786,278	177,221,135	20.204	8.956
98,936,596 and above (**)	3	0	1,367,973,258	0	69.134	0.000
Total	13,282	907	1,788,119,021	190,612,894	90.367	9.634

GRAND TOTAL	No. of Holders		No. of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
	14,189		1,978,731,915		100	

Remark : * less than 5% of issued shares
** 5% and above of issued shares

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Holders		No. of Shares		% of Total Shareholdings				
					Malaysian		Foreign		
	Bumiputra	Non - Bumiputra	Bumiputra	Non - Bumiputra	Bumiputra	Non - Bumiputra			
1) Individual	2,760	8,579	135	2,804,518	10,588,828	317,717	0.142	0.535	0.016
2) Body Corporate									
A) Banks/Finance Companies	32	1	0	431,546,573	57,400	0	21.809	0.003	0.000
B) Investment Trusts/ Foundation/ Charities	18	5	0	175,700	165,100	0	0.009	0.008	0.000
C) Industrial and Commercial Companies	86	114	7	2,006,200	1,135,201	179,801	0.101	0.058	0.010
3) Government Agencies/ Institutions	6	0	0	2,726,700	0	0	0.138	0.000	0.000
4) Nominees	951	728	765	1,023,803,068	313,107,731	190,115,376	51.740	15.824	9.608
5) Others	0	2	0	0	2,002	0	0.000	0.000	0.000
Total	3,853	9,429	907	1,463,062,759	325,056,262	190,612,894	73.939	16.428	9.634

GRAND TOTAL	No. of Holders		No. of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
	14,189		1,978,731,915		100	

ANALYSIS OF SHAREHOLDINGS

as at 28 February 2025

LIST OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholder	No. of Shares	Shareholdings	%
1	CIMB Group Nominees (Tempatan) Sdn Bhd - Exempt AN for Petroliaam Nasional Berhad - Exempt AN for Petroliaam Nasional Berhad (PRF)	1,009,153,300 1,008,616,900 536,400		51.00
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (#11 CDS Accounts)		250,081,530	12.64
3	Kumpulan Wang Persaraan (Diperbadankan) Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (#8 CDS Accounts)		197,794,373	10.00
			1,457,029,203	73.63

LIST OF DIRECTORS' SHAREHOLDINGS

No.	Name of Director	No. of Shares Held Through Own Name	No. of Shares Held Through Nom Company	Total Shareholdings	%
1	Datuk Adif bin Zulkifli	-	-	-	-
2	Abdul Aziz bin Othman	-	-	-	-
3	Marina binti Md Taib	-	-	-	-
4	Datuk Yeow Kian Chai	3,000	-	3,000	0.00
5	Farina binti Farikhullah Khan	-	-	-	-
6	Datuk Mark Victor Rozario	-	-	-	-
7	Hasliza binti Othman	-	-	-	-
8	Sujit Singh Parhar s/o Sukhdev Singh	-	-	-	-
TOTAL				3,000	0.00

LIST OF SENIOR MANAGEMENT'S SHAREHOLDINGS

None of the Senior Management members hold shares directly or indirectly in PGB.

ANALYSIS OF SHAREHOLDINGS

as at 28 February 2025

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Total Shareholdings
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PETROLIAM NASIONAL BERHAD</i>	1,008,616,900	50.973
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	194,342,273	9.822
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD</i>	165,014,085	8.339
4	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM BUMIPUTERA</i>	68,000,000	3.437
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)</i>	66,544,445	3.363
6	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA</i>	36,896,000	1.865
7	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA 3</i>	32,074,900	1.621
8	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA 2 - WAWASAN</i>	26,000,000	1.314
9	LEMBAGA TABUNG HAJI	24,347,300	1.230
10	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM BUMIPUTERA 2</i>	18,075,900	0.914
11	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)</i>	15,879,100	0.802
12	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND</i>	13,563,712	0.685
13	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND</i>	12,065,563	0.610
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)</i>	9,893,000	0.500
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)</i>	8,789,500	0.444
16	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM BUMIPUTERA 3 - DIDIK</i>	8,433,000	0.426
17	CARTABAN NOMINEES (TEMPATAN) SDN BHD <i>PAMB FOR PRULINK EQUITY FUND</i>	8,036,800	0.406

ANALYSIS OF SHAREHOLDINGS

as at 28 February 2025

LIST OF 30 LARGEST SHAREHOLDERS (continued)

No.	Name	No. of Shares	% of Total Shareholdings
18	CARTABAN NOMINEES (TEMPATAN) SDN BHD <i>PBTB FOR TAKAFULINK DANA EKUITI</i>	7,392,400	0.374
19	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II</i>	6,962,600	0.352
20	PERMODALAN NASIONAL BERHAD	6,947,900	0.351
21	CARTABAN NOMINEES (TEMPATAN) SDN BHD <i>PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND</i>	6,906,100	0.349
22	CARTABAN NOMINEES (ASING) SDN BHD <i>BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)</i>	5,797,800	0.293
23	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC ISLAMIC DIVIDEND FUND</i>	5,125,300	0.259
24	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS</i>	4,793,000	0.242
25	CITIGROUP NOMINEES (ASING) SDN BHD <i>CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)</i>	4,786,781	0.242
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240)</i>	4,500,000	0.227
27	CARTABAN NOMINEES (ASING) SDN BHD <i>BBH AND CO BOSTON FOR FIDELITY SAI EMERGING MARKETS VALUE INDEX FUND (FSST)</i>	3,995,900	0.202
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)</i>	3,871,900	0.196
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)</i>	3,520,900	0.178
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)</i>	3,247,100	0.164

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

A summary of the landed property, plant and equipment of PETRONAS Gas Berhad and its subsidiaries as at 31 December 2024

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
TERENGGANU							
Gas Processing Plants, Kertih KM 105, Jalan Kuantan - Kuala Terengganu, 24300 Kertih, Kemaman, Terengganu Darul Iman		Leasehold Expiry:	Leasehold land				1,491,990
Lot No. 1903	30.09.1991	28.02.2043 (Sub-Lease 60 years)	<u>Plant</u> GPP 1 GPP 2 GPP 3	87.9	40.3 32.4 32.1	95,998 123,310 123,310	
Lot No. 3541	30.09.1991	03.04.2050 (60 years)	GPP 4 / DPCU 2 Compressor station	34.6	30.5 33.1	266,400 65,010	
Lot No. 1902	30.09.1991	26.02.2082 (99 years)	<u>Office</u> Administration building 1 Administration building 2 Fire station	2.7	39.4 34.7 36.8	1,282 6,892 3,248	
Gas Processing Plants, Paka KM 8, Kg. Tok Arun, Off Jalan Santong, 23100 Paka, Dungun, Terengganu Darul Iman		Leasehold Expiry:	Leasehold land				1,248,361
Lot No. 7346	03.08.1997	13.07.2058 (60 years)	<u>Plant</u> GPP 5 GPP 6 DPCU 3 <u>Office</u> Administration building	189.5	25.9 25.0 26.3 27.2	200,000 220,000 60,000 12,220	
Lot No. 7220	03.08.1997	20.06.2058 (60 years)	(Vacant)	26.9			

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
TERENGGANU							
Export Terminal Operation Tanjung Sulong, 24000 Kemaman, Terengganu Darul Iman		Leasehold Expiry:	Leasehold land				217,025
Lot No. 1314	24.07.1993	19.03.2025 (40 years)	<u>Plant</u> Unit 1,2,3,4 <u>Office</u> Administration building	9.7	40.1	1,146	
Lot No. 1333	24.07.1993	11.03.2027 (40 years)	<u>Marine facility</u> Breakwater Jetty	2.7	40.1		
Utilities Plant, Kertih Kertih Integrated Petrochemical Complex, KM 105, Jalan Kuantan - Kuala Terengganu, 24300 Kertih, Kemaman, Terengganu Darul Iman		Leasehold Expiry:	Leasehold land	37.1			487,104
Lot No. 8065	21.12.1999	19.08.2060 (60 years)	<u>Plant</u> CGN B CGN C CGN D, E, F Water plant CGN G ASU Control room, lab & workshop <u>Office</u> Administration building		25.1 24.6 24.6 24.7 23.8 23.8 23.6 23.9	667 2,000 2,000 667 15,451 729 1,820 514	

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
PAHANG							
Kuantan Regional Operations Office, Lot 1, Sector 1, Bandar Indera Mahkota, 25200 Kuantan, Pahang Darul Makmur		Leasehold Expiry:	Leasehold land	11.2			6,149
Lot No. PT16756	04.01.1989	04.01.2088 (99 years)	<u>Office</u> Regional office		33.2	2,428	
Kuantan Compressor Station, Kampung Mahkota, KM 19, Jalan Gambang, 26070 Kuantan, Pahang Darul Makmur		Leasehold Expiry:	Leasehold land	20.3			65,398
Lot No. 104462	04.01.1989	26.08.2101 (99 years)	<u>Plant</u> Compressor station Compressor station		31.1 15.2	1,142 4,378	
Utilities Plant, Gebeng, Lot 139A, Gebeng Industrial Area, Phase III, 26080 Kuantan, Pahang Darul Makmur		Leasehold Expiry:	Leasehold land	18.8			376,273
Lot No. PT15127	17.11.1999	08.01.2100 (99 years)	<u>Plant</u> CGN A CGN B CGN C N2GEN Water plant CGN E <u>Office</u> Maintenance building Warehouse		25.1 25.1 25.1 25.1 24.6 5.8 23.6 23.6	667 667 667 360 2,000 780 1,015 1,004	

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
JOHOR							
Segamat Operation Centre, Gas Transmission System, KM 10, Lebuhraya Segamat-Kuantan, 85000 Segamat, Johor Darul Takzim		Leasehold Expiry:	Leasehold land	61.3			229,332
Lot No. PTD564	22.09.1991	18.02.2102 (99 years)	<u>Plant</u> Compressor station <u>Office</u> Operation centre		27.0 32.4	2,792 8,080	
Pasir Gudang Regional Operations Office, PLO 332, Jalan Perak 4, Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor Darul Takzim		Leasehold Expiry:	Leasehold land	4.1			6,807
Lot No. PTD84942	23.04.1989	22.04.2088 (99 years)	<u>Office</u> Regional office <u>Lease from third party</u> Land		32.5	2,428	5,591
LNG Regasification Terminal Pengerang Terminals (Two) Sdn. Bhd. Building, Lot PTD 5041, Jalan Damai 2, Kg Sungai Kapal, Pengerang, Johor		Leasehold Expiry:	Leasehold land	19.3			1,708,349
Lot PTD 5041	05.02.2015	04.02.2080 (65 years)	<u>Plant</u> Tank 1 Tank 2 <u>Office</u> Administration building <u>Lease from third party</u> Land Jetty		9.9 9.5		7,102 413,993

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
NEGERI SEMBILAN							
Seremban Regional Operations Office, KM 11, Jalan Seremban - Tampin, 71450 Sg. Gadut, Seremban, Negeri Sembilan Darul Khusus			Freehold land	14.0			5,290
Lot No. 21958	16.02.1994	Freehold	Office Regional office		33.4	2,428	
SELANGOR							
Shah Alam Regional Operations Office, Lot 1, Jalan Jemuju Lima 16/13E, Shah Alam Industrial Area, Section 16, 40200 Shah Alam, Selangor Darul Ehsan		Leasehold Expiry:	Leasehold land	2.9			11,638
Lot No. PT606	12.10.1990	11.10.2089 (99 years)	Office Regional office		33.1	2,428	
Meru Compressor Station, Lot 1586 (G3907) Mukim of Jeram District of Kuala Selangor, Selangor Darul Ehsan		Leasehold Expiry:	Leasehold land (Vacant)	5.4	N/A	N/A	810
Lot No. 12441	04.08.1998	10.08.2107 (99 years)					
PERAK							
Sitiawan Regional Operations Office, Lot 33263, Jalan Dato' Ahmad Yunus, 32000 Sitiawan, Perak Darul Ridzuan		Leasehold Expiry:	Leasehold land	3.2			3,042
Lot No. PT4535	04.11.1997	27.06.2101 (99 years)	Office Regional office		27.2	1,604	

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
KEDAH							
Gurun Regional Operations Office, PO Box 31, KM 1, Jalan Jeniang, 08300 Gurun, Kedah Darul Aman		Leasehold Expiry:	Leasehold land	2.9			4,040
Lot No. 8173	18.12.1997	22.04.2102 (99 years)	Office Regional office		26.3	1,604	
8.4 km TTM Pipeline land at District of Kubang Pasu, Kuala Muda, Pendang and Pokok Sena, Kedah Darul Aman to District of Seberang Perai Tengah, Penang	1.11.2006	Leasehold Expiry: (99 years) & Freehold	Leasehold land Pipeline Pipeline across 8.4 km	25.21	19.8	N/A	443
MELAKA							
LNG Regasification Terminal, Sungai Udang PSR-1/ MG3 Retrofit Site Office	01.10.2012	30.04.2036 (24 years)	Facilities Jetty Office Administration building	N/A	9.5	3,000	1,162,520
Revamp PETRONAS Penapisan Sungai Udang, Melaka	01.07.2011	Lease Expiry: 30.06.2038 (25 years)	Lease from third party Regasification Floating Storage				559,451
			LNG bunkering	N/A	11.6	N/A	21,118
			Land				1,985
SABAH							
Liquefaction Natural Gas Plant, Oil & Gas Industrial Park (SOGIP), Jalan SOGIP 3, 89850 Sipitang, Sabah	05.02.2024	Lease Expiry: 04.02.2047 (23 years)	Leasehold Land	1.2			5,186
Lot 2-8(b)							

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
PIPELINES							
PGU I – total gas pipeline comprises 6 km from Kertih to Paka, Terengganu, 32 km from Kertih to Teluk Kalong, Terengganu and two 40km of lateral lines from the GPPs to the Export Terminal in Tanjung Sulong, Terengganu Darul Iman	20.03.1985	Leasehold Expiry: (40, 60 and 99 years)	<u>Pipelines</u> Pipelines in leasehold land Terengganu: 74 lots	Terengganu: 332.1	40.3	N/A	332,705
PGU II – total gas pipeline comprises Sector 1 – 265 km from Teluk Kalong, Terengganu to Segamat, Johor, Sector 2 – 241 km from Segamat, Johor to Kapar, Selangor, Sector 3 - 215 km from Segamat, Johor to Singapore.	01.01.1992	Leasehold Expiry: (99 years)	<u>Pipelines</u> Pipelines in leasehold land Terengganu: 20 lots Pahang: 395 lots Johor: 742 lots (Inclusive Loop 1 & Loop 2) Melaka: 139 lots Negeri Sembilan: 262 lots Selangor: 140 lots	Terengganu: 76.6 Pahang: 547.0 Johor: 999.5 Melaka: 190.4 Negeri Sembilan: 460.2 Selangor: 297.0	33.1	N/A	1,568,736
PGU III – total gas pipeline comprises Sector 1 - 184 km from Meru, Selangor to Lumut, Perak, Sector 2 - 176 km from Lumut, Perak to Gurun, Kedah, Sector 3 - 90 km of NPS 36" mainline from Gurun to Pauh, Perlis	06.01.1996	Leasehold Expiry: (99 years)	<u>Pipelines</u> Pipelines in leasehold land Selangor: 94 lots WP Kuala Lumpur : 14 lots Perak: 360 lots Penang: 96 lots Kedah: 262 lots Perlis: 80 lots	Selangor : Sector 2&3: 178.3 WP Kuala Lumpur : 17.9 Perak : 539.9 Penang : 118.1 Kedah: 473.9 Perlis: 87.0	Sector 1: 29.1 Sector 2&3: 27.2	N/A	387,396

SUMMARY OF LANDED PROPERTY, PLANT AND EQUIPMENT

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 December 2024 (RM'000)
PIPELINES							
PGU Loop 1 – total gas pipeline of 265 km from Kertih, Terengganu to Segamat, Johor	04.10.1999	Leasehold Expiry: (99 years)	<u>Pipelines</u> Pipelines in leasehold land Terengganu: 77 lots Pahang: 315 lots	Terengganu: 141.5 Pahang: 103.8	25.4	N/A	299,675
PGU Loop 2 – total gas pipeline of 228 km from Segamat, Johor to Meru, Selangor	01.11.2000	Leasehold Expiry: (99 years)	<u>Pipelines</u> Pipelines in leasehold land Melaka: 4 lots Negeri Sembilan: 4 lots	Melaka: 1.3 Negeri Sembilan: 1.1	24.4	N/A	249,473
TOTAL							10,876,982

Abbreviations:

CGN	:	Cogenerator Plant
DPCU	:	Dew Point Control Unit Plant
GPP	:	Gas Processing Plant
N2GEN	:	Nitrogen Generator
ASU	:	Air Separation Unit

TOP 10 LANDED PROPERTY, PLANT AND EQUIPMENT

Name of Facilities and Location		Net Book Value (RM'000)
1	LNG Regasification Terminal, Pengerang	2,129,445
2	LNG Regasification Terminal, Sungai Udang	1,745,074
3	PGU II	1,568,736
4	Gas Processing Plants, Kertih	1,491,990
5	Gas Processing Plants, Paka	1,248,361
6	Utilities Plant, Kertih	487,104
7	PGU III	387,396
8	Utilities Plant, Gebeng	376,273
9	PGU I	332,706
10	PGU Loop I	299,675

NOTICE OF THE 42ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 42nd Annual General Meeting (AGM) of PETRONAS Gas Berhad will be held on Wednesday, 23 April 2025 at 10.00 a.m. at the Taming Sari Grand Ballroom, Royale Chulan Kuala Lumpur, 5 Jalan Conlay, Kuala Lumpur City Centre, 50450 Kuala Lumpur, Malaysia to transact the following businesses:

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- Datuk Yeow Kian Chai who retires by rotation pursuant to Article 107 of the Company's Constitution, has expressed his intention not to seek re-election. Hence, he will retire from office upon the conclusion of the 42nd AGM of the Company.
Please refer to Explanatory Note B
- To re-elect Datuk Adif Zulkifli who retires in accordance with Article 100 of the Company's Constitution and being eligible, offer himself for re-election. **(Resolution 1)**
Please refer to Explanatory Note B
- To re-elect Farina Farikhullah Khan who retires by rotation in accordance with Article 107 of the Company's Constitution and being eligible, offer herself for re-election. **(Resolution 2)**
Please refer to Explanatory Note B
- To approve the increase of the Directors' fees from RM288,000 to RM360,000 per annum for the Non-Executive Chairman and from RM144,000 to RM240,000 per annum for each Non-Executive Director with effect from 1 May 2025. **(Resolution 3)**
Please refer to Explanatory Note C
- To approve the Directors' fees and allowances payable to the Non-Executive Directors of up to RM3,000,000 with effect from 24 April 2025 until the next Annual General Meeting of the Company. **(Resolution 4)**
Please refer to Explanatory Note D
- To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **(Resolution 5)**
Please refer to Explanatory Note E
- To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 42nd AGM, the Company shall be requesting the Record of Depositors as at 16 April 2025. Only a depositor whose name appears on the Record of Depositors as at 16 April 2025 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.

BY ORDER OF THE BOARD

MEK YAM @ MARIAM HASSAN (MAICSA 7030578) SSM Practising Certificate No. 201908000788
CIK AZIZAHWATI ISHAK (MAICSA 7060684) SSM Practising Certificate No. 202008002944
Company Secretaries

Kuala Lumpur
21 March 2025

NOTICE OF THE 42ND ANNUAL GENERAL MEETING

NOTICE OF THE 42ND ANNUAL GENERAL MEETING

NOTES:

1. PROXY AND/OR AUTHORISED REPRESENTATIVE

- (a) The 42nd AGM will be held on a physical mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) to attend physically in person at the Meeting Venue.
- (b) A member of the Company who is entitled to attend, participate, speak and vote at the meeting may appoint not more than two proxies to attend and vote on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
- (c) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA), it may appoint at least one proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said Securities account.
- (d) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (e) Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (f) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited with Boardroom Share Registrars Sdn. Bhd. not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with:

 - (a) Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor; or
 - (b) email to bsr.helpdesk@boardroomlimited.com
 - (ii) By electronic means

The proxy form can be electronically lodged with Boardroom Share Registrars Sdn. Bhd. through BoardRoom Smart Investor Portal (BSIP) at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via BSIP.
- (g) Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
- (h) Last date and time for lodging the proxy form is Monday, 21 April 2025 at 10.00 a.m.
- (i) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom Share Registrars Sdn. Bhd. or alternatively, the Customer Service Centre at the address stated under item (f)(i)(a) above not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (j) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with Boardroom Share Registrars Sdn. Bhd. or alternatively, the Customer Service Centre at the address stated under item (f)(i)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a Director or any Director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (k) By submitting the duly executed Proxy Form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 42nd AGM and any adjournment thereof.

2. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) all resolutions set out in the Notice of 42nd AGM will be put to vote as a poll.

3. EXPLANATORY NOTES

Note A

Audited Financial Statements for the Financial Year Ended 31 December 2024

The audited financial statements are laid before the shareholders pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 (CA 2016) for discussion only. The audited financial statements do not require shareholders' approval and hence, will not be put forward for voting.

Note B

Resolutions 1 and 2: Re-election of Directors who retire in accordance with Article 100 and Article 107 of the Company's Constitution

(i) Re-election of Director who retires in accordance with Article 100 of the Company's Constitution

Article 100 of the Company's Constitution provides that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall be eligible for re-election.

In view that Datuk Adif Zulkifli was appointed during the financial year under review, he will be retiring under Article 100 of the Company's Constitution. He being eligible for re-election has also given his consent for re-election.

(ii) Re-election of Director who retires in accordance with Article 107 of the Company's Constitution

Article 107 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors shall retire from office once at least in each three years but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

At the forthcoming 42nd AGM, Farina Farikhullah Khan will be retiring in accordance with Article 107 of the Company's Constitution, and being eligible for re-election, has given her consent for re-election at the AGM.

Additionally, Datuk Yeow Kian Chai will also be retiring in accordance with Article 107 of the Company's Constitution. Datuk Yeow Kian Chai has expressed his intention not to seek re-election. Datuk Yeow Kian Chai will retire from office upon the conclusion of the 42nd AGM of the Company.

The Board had, through the Nomination and Remuneration Committee (NRC), assessed the retiring Directors' eligibility for re-election based on their experience, expertise, integrity, competency, participation, and contribution as determined through Board Effectiveness Evaluation (BEE). The retiring Directors demonstrate a commitment to the role and have sufficient time to meet their commitment to the Company. Based on the Directors' Fit and Proper Policy, the Board was satisfied that both Datuk Adif Zulkifli and Farina Farikhullah Khan fulfilled the criteria set under the Directors' Fit and Proper Policy.

In addition, the Board via Board Audit Committee (BAC), reviewed and assessed the disclosure of interest made by Datuk Adif Zulkifli and satisfied with recommended measures to mitigate any conflict of interest that may arise in light of the disclosure made by Datuk Adif Zulkifli. The Board has confirmed BAC's assessment that Farina Farikhullah Khan does not have any conflicts of interest or potential conflicts of interest, including the interest in any competing business with the Company.

Having considered the above, the Board endorsed the NRC's recommendation that the Directors who retire in accordance with Article 100 and Article 107 of the Company's Constitution namely, Datuk Adif Zulkifli and Farina Farikhullah Khan are eligible to stand for re-election.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 84 to 91 in the Integrated Report 2024.

Note C

Resolution 3: Increase of Directors' Fees

Practice 7.1 of the Malaysian Code on Corporate Governance states that the policies and procedures in determining remuneration of Directors are to be periodically reviewed.

The Company's Directors' Remuneration Framework and Directors' Remuneration Packages were last reviewed in 2018. Therefore, it is necessary to evaluate whether the current remuneration structure remains competitive and relevant. In year 2023, an independent consultant was engaged to perform a benchmarking exercise on the Non-Executive Chairman (NEC) and Non-Executive Directors (NED)'s remuneration.

The benchmarking analysis shows the Company is in the lower quartile for the remuneration. After considering the independent consultant's recommendations, the NRC proposed revision to the Company's Directors' fees to remain competitive in the market without straining the Company's financial resources. This recommendation was made to the Board in February 2025.

NOTICE OF THE 42ND ANNUAL GENERAL MEETING

Subsequently, the Board approved for recommendation to shareholders in respect of the increase of Directors' fees as follows:

NEC/NEDs	Directors' Fees	
	Current Fee per annum	Proposed fee per annum
NEC	RM288,000	RM360,000
NEDs	RM144,000	RM240,000

The Directors' meeting allowances and benefits-in-kind remain unchanged.

Note D

Resolution 4: NEDs' Fees and Allowances

Pursuant to Section 230(1) of the CA 2016, the fees of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The fees and allowances structure of the NEDs of the Company is as follows:

- Monthly fixed fees for duties as Director/Chairman;
- Meeting allowance for each Board/Board Committee meeting attended; and
- Fuel allowance.

The Directors' fees and meeting allowances for NINEDs who are also employees of PETRONAS are paid directly to PETRONAS.

The shareholders at the last AGM held on 23 April 2024 approved the Directors' fees and allowances of up to an amount of RM2,500,000 for the period from 24 April 2024 until the next AGM of the Company. The actual Directors' fees and other benefits paid to NEDs for the said period was RM1,492,774.19.

Subject to the shareholders' approval on Resolution 3, the Directors' fees and allowance for the NEDs for the period from 24 April 2025 until the next AGM of the Company (Mandate Period) are estimated not to exceed RM3,000,000. This estimate is based on the number of scheduled Board and Board Committees' meetings and the number of NEDs will remain until the next AGM. This resolution is to facilitate payment of the Directors' fees and allowances for the Mandate Period.

The Board will seek shareholders' approval at the next AGM in the event the Directors' fees and allowances proposed are insufficient.

Details of the fees paid to the NEDs for the financial year ended 31 December 2024 are disclosed in the Corporate Governance Report 2024, which is available on the Company's corporate website at www.petronas.com/pgb.

Note E

Resolution 5: Re-appointment of Auditors

The Board Audit Committee (BAC) had carried out an assessment on the performance, suitability and independence of external auditors based on the following four key areas:

- Quality of the audit engagement team and services;
- Adequacy of resources;
- Quality of communication and interaction; and
- Independence, objectivity and professional scepticism.

The annual assessment on the Company's External Auditors, KPMG PLT, was conducted in January 2025 whereby the BAC was satisfied with the performance and independence of the external auditors. Based on the assessment conducted, KPMG PLT met the criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia.

The Board at its meeting held on 21 February 2025 approved the BAC's recommendation seeking shareholders' approval on the re-appointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2025.

Abstention from Voting

The NEDs of the Company, who are also shareholders of the Company will abstain from voting on Resolution 3 and Resolution 4 concerning remuneration of the NEDs.

Other Information

The Company has engaged independent scrutineers to count, audit and validate the votes of each proposal presented to shareholders.

ADMINISTRATIVE GUIDE FOR THE 42ND ANNUAL GENERAL MEETING (42ND AGM) OF PETRONAS GAS BERHAD

Date	: Wednesday, 23 April 2025
Time	: 10.00 a.m.
Venue	: Taming Sari Grand Ballroom, Royale Chulan Kuala Lumpur, 5 Jalan Conlay, Kuala Lumpur City Centre, 50450 Kuala Lumpur, Malaysia

REGISTRATION

- 1) Registration will start at 8.00 a.m. on 23 April 2025 at the Taming Sari Grand Ballroom, Royale Chulan Kuala Lumpur, 5 Jalan Conlay, Kuala Lumpur City Centre, 50450 Kuala Lumpur, Malaysia.
- 2) Please produce your original MyKad/passport (for foreigners) to the registration staff for verification. Please ensure to collect your MyKad/passport thereafter.
- 3) You will be given
 - i) A special QR code will be generated for you to scan and access to the e-polling system using own smartphone/tablet;
 - ii) Attendance will be recorded and identification wristband will be provided at the registration counter; and
 - iii) A food redemption coupon.

You are only allowed to enter the meeting hall if you are wearing the identification wristband. There will be no replacement in the event you lose or misplace any one of the aforesaid items ii) and iii).

- 4) No person will be allowed to register on behalf of another person, even with the original MyKad/passport of that person.
- 5) The registration counter will handle only the verification of identity and registration. After registration, please vacate the registration area immediately.

ENTITLEMENTS TO ATTEND, SPEAK AND VOTE

Only a Depositor registered in the Register of Members/Record of Depositors and whose name appears in the Register of Members/Record of Depositors as at 16 April 2025 shall be entitled to attend, speak and vote at the AGM or appoint proxies to attend, speak and vote on his/her behalf in respect of the number of shares registered in his/her name at that time.

PROXY

- 1) If you are a member of the Company, you may appoint not more than two proxies to exercise all or any of your rights to attend and vote at the AGM. If you are unable to attend the AGM and wish to appoint a proxy to attend and vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions printed therein.
- 2) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under seal or under the hand of an officer or attorney duly authorised. The appointment of a proxy may be made in hard copy form or by electronic form. If the appointment is made in hard copy form, the Proxy Form must be deposited with Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor or alternatively to submit your electronic Proxy Form through Boardroom Smart Investor Portal (BSIP) at <https://investor.boardroomlimited.com> not less than 48 hours before the time fixed for holding the meeting. For further information on the electronic lodgement of Proxy Form, kindly refer to the Annexure.

ADMINISTRATIVE GUIDE FOR THE 42ND ANNUAL GENERAL MEETING (42ND AGM) OF PETRONAS GAS BERHAD

3) By electronic means. Please refer to the procedures for electronic lodgement of Proxy Form as follows:

For Individual/Corporate Shareholders

- i) Log in to BSIP at <https://investor.boardroomlimited.com>
- ii) Select **PETRONAS GAS BERHAD 42ND ANNUAL GENERAL MEETING** from the list of Meeting Event(s) and click **"Enter"**
- iii) Click **"Submit eProxy Form"**

For Corporate Shareholders, select the company you would like to represent (if more than one)

(Boardroom Smart Investor Portal now facilitates the registration of Corporate Shareholders).

- i) Enter your CDS account no. and number of shares held. Read and accept the General Terms and Conditions by clicking **"Next"**.
- ii) Then, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate **"Discretionary"**.
- iii) Review and confirm your proxy/proxies appointment and click **"Next"**.
- iv) Download or print the eProxy form as acknowledgement.

For Authorised Nominees and Exempt Authorised Nominees

- i) Log in to BSIP at <https://investor.boardroomlimited.com>
- ii) Select **PETRONAS GAS BERHAD 42ND ANNUAL GENERAL MEETING** from the list of Meeting Event(s) and click **"Enter"**
- iii) Click **"Submit eProxy Form"**
- iv) Select the company you would like to represent (if more than one)
- v) Proceed to download the file format for **"Submission of Proxy Form"**
- vi) Prepare the file for the appointment of proxy(ies) by inserting the required data
- vii) Proceed to upload the duly completed Proxy Appointment file
- viii) Review and confirm your proxy(ies) appointment(s) and click **"Submit"**
- ix) Download or print the eProxy form as acknowledgement

eProxy Form to be lodged not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Monday, 21 April 2025 at 10.00 a.m.

REVOCAION OF PROXY

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com or via electronic means (as the case may be) to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM or proceed to the Help desk counter on the AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly. Please find the below step for revocation on eProxy form or physical proxy form:-

eProxy Form

- i) Go to **"Meeting Event"** and select **"PETRONAS GAS BERHAD 42ND ANNUAL GENERAL MEETING"** from the list of companies and click **"Enter"**.
- ii) Go to **"PROXY"** and click on **"Submit Another eproxy Form"**.
- iii) Go to **"Submitted eProxy Form List"** and click **"View"** for the eProxy form.
- iv) Click **"Cancel/Revoke"** at the bottom of the eProxy form.
- v) Click **"Proceed"** to confirm.

Physical Proxy Form

- i) Please write in to bsr.helpdesk@boardroomlimited.com to revoke the appointment of proxy/proxies.

ADMINISTRATIVE GUIDE FOR THE 42ND ANNUAL GENERAL MEETING (42ND AGM) OF PETRONAS GAS BERHAD

- 1) If you wish to attend the AGM yourself, please do not submit any Proxy Form. You will not be allowed to attend the AGM together with a proxy appointed by you.
- 2) If you have submitted your Proxy Form prior to the AGM and subsequently decided to attend the AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.

CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should submit the original certificate of appointment under the seal of the corporation or be affixed with the rubber stamp and executed by at least two authorised officers, to the office of the Share Registrar at any time before the time appointed for holding the AGM or to the registration staff on the day of the AGM.

VOTING AT MEETING

- 1) The voting at the 42ND AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-voting) and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineers to verify the poll results.
- 2) During the 42ND AGM, the Chairman will invite the Poll Administrator to brief you on the e-voting procedures using smartphone or tablet (voting device).
- 3) When the Chairman opens the poll, please vote using your smartphone/tablet with the special QR code, which will be generated during registration. As such, all shareholders and proxies attending the 42ND AGM are advised to bring their own personal devices in order to vote.
- 4) Upon completion of the voting session for the 42ND AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.
- 5) The resolutions proposed at the 42ND AGM and the results of the voting will be announced at the 42ND AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

INTEGRATED REPORT 2024 AND OTHER DOCUMENTS

- 1) The following documents are available at <https://www.petronas.com/pgb>.
 - i) Integrated Report 2024
 - ii) Sustainability Report 2024
 - iii) Notice of the 42ND AGM, Proxy Form and Administrative Guide
- 2) You may request for printed copy of documents no. i) and iii) above at Boardroom Share Registrars Sdn. Bhd.'s website at <https://investor.boardroomlimited.com>. Kindly click on **"Investor Services"** and select **"Request for AR"**. Alternatively, you may also request for these documents by contacting our Share Registrar or email them as per details provided below.
- 3) Kindly consider the environment before you decide to request for the printed copy of the Integrated Report 2024. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet. To support the Company's commitment to sustainability, the printed copy of Integrated Report 2024 will not be provided at the AGM. If you require a printed copy, please request it from our Share Registrar as mentioned above.

HELPPDESK

- 1) Please proceed to the Helpdesk for any clarification or enquiry.
- 2) The Helpdesk will also handle revocation of proxy's appointment.

ADMINISTRATIVE GUIDE FOR THE 42ND ANNUAL GENERAL MEETING (42ND AGM) OF PETRONAS GAS BERHAD

GLOSSARY

PARKING

- 1) Please take note that PGB will not be providing cash reimbursement for parking. Instead, you are advised to park at Royale Chulan Kuala Lumpur. Please bring your parking ticket for validation at the counter near the Taming Sari Grand Ballroom. Nevertheless, since the parking bays at the hotel are limited, it will be on first-come-first-served basis.
- 2) By validating the parking ticket, you will not be charged for parking when you leave. Please be advised, that the parking ticket will expire by 3 p.m. on 23 April 2025. Any additional costs incurred for parking after 3 p.m. will not be borne by PGB.
- 3) Please be advised that PGB will not reimburse any parking costs incurred at any other locations nor other types of transportation fees such as fuels, taxi/e-hailing services, LRT/MRT, bus, flight, etc. As such, please observe the abovementioned parking area.

SUBMISSION OF QUESTIONS FOR 42ND AGM

- 1) **Prior to the AGM**
Members and proxies may submit questions before the AGM to the Chairman or Board of Directors via BSIP at <https://investor.boardroomlimited.com> using the same user ID and password provided by Boardroom no later than Monday, 21 April 2025 at 10.00 a.m. Click "Submit Question" after selecting "PETRONAS GAS BERHAD 42ND ANNUAL GENERAL MEETING" from "Meeting Event" to submit your questions.
- 2) **During the AGM**
Verified shareholders(s), proxy(ies) and corporate representative(s) will be able to ask questions in person at the Main Meeting Venue. The Chairman or the Board of Directors will endeavour to address all questions received in relation to the AGM.

FOOD AND BEVERAGE

- 1) With the food redemption coupon, please proceed to collect your refreshment in the refreshment hall as indicated by signages.
- 2) Coffee and tea will be served in the refreshment hall before the commencement of the AGM. Free flow of plain water will be provided at the foyer of the meeting hall throughout the AGM.

ENQUIRY

If you have general queries prior to the AGM, please contact the Share Registrar during office hours i.e from 8.30 a.m. to 5.30 p.m. (Mondays to Fridays):

- (a) Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor
- (b) General Line: +603-7890 4700 (Helpdesk)
- (c) Fax Number: +603-7890 4670
- (d) Email to bsr.helpdesk@boardroomlimited.com

Abbreviation	Meaning/Definition
3PLAY	Management Systems, Work Processes and Empowerment
4R	Recover, Recycle, Reuse and Reduce
ABC	Anti-Bribery and Corruption
ACRS	Ancillary Agreement for Regasification Service
ADIE	Asia Pacific Digital Innovation Expo
AGM	Annual General Meeting
AI	Artificial Intelligence
ASU	Air Separation Unit
BAC	Board Audit Committee
BCM	Business Continuity Management
BCMT	Business Continuity Management Team
BCP	Business Continuity Plan
BD&C	Business Development and Commercial
BEE	Board Effectiveness Evaluation
BOC	Balance of Consequences
BSRC	Board Sustainability and Risk Committee
Bursa Malaysia	Bursa Malaysia Securities Berhad
CA 2016	Companies Act 2016
CAR 2014	Clean Air Regulations 2014
CAPEX	Capital Expenditure
CCS	Carbon Capture and Storage
CFE	Certified Fraud Examiner
CFO	Chief Financial Officer
CG	Corporate Governance
CLAs	Critical Legal Areas
CMT	Crisis Management Team
CoBE	Code of Conduct and Business Ethics
COGEN	Cogeneration
COI	Conflict of Interest
CoRA	Contractor Risk Assessment
COSO	Certified Internal Control Integrated Framework
CRA	Corruption Risk Assessment
D&O	Directors' and Officers' Liability Insurance
EI	Energy Index
ePTW+ 2.0	Electronic Permit to Work
EQAR	External Quality Assurance & Review
ERP	Enterprise Risk Profile
ERR	Enterprise Risk Report
ESG	Environmental, Social, and Governance
ExRM	External Risk Management
FID	Final Investment Decision
FRC	Financial Reporting Controls
FWSA	Fire Water Services Agreement
FX	Foreign Exchange
FY	Financial Year

Abbreviation	Meaning/Definition
G5dot5	PGB Strategic Agenda
GHG	Greenhouse Gas
GP	Gas Processing
GP	Group Procurement (Page 151)
GPA	Gas Processing Agreement
GPK	Gas Processing Kertih
GPS	Gas Processing Santong
GPU	Gas Processing & Utilities
GT	Gas Transportation
GTR	Gas Transportation & Regasification
HR	Human Resource
HSE	Health, Safety and Environment
HSEMS	Health, Safety and Environment Management System
HSSE	Health, Safety, Security and Environment
ICT	Information Communication Technology
IFRS	International Financial Reporting Standards
IG	Industrial Gas
IGC	Internal Gas Consumption
IGU	Integrity Governance Unit
INED	Independent Non-Executive Director
IPPF	International Professional Practices Framework
IPSS	Integrated Process Safety Solution
ISC	Investment Steering Committee
ISSB	International Sustainability Standards Board
JV	Joint Venture
KPI	Key Performance Indicator
KPMG	Klynveld Peat Marwick Goerdeler
KPP	Kimanis Power Plant
KRA	Key Result Areas
KRIs	Key Risk Indicators
LNG	Liquefied Natural Gas
LOA	Limits of Authority
LOPC	Loss of Primary Containment
LT	Leadership Team
LTIs	Lost Time Injuries
MACC	Malaysian Anti-Corruption Commission
MAP	Mandatory Accreditation Programme
MASB	Malaysian Accounting Standards Board
MCCG	Malaysian Code on Corporate Governance
MD/CEO	Managing Director/Chief Executive Officer
MFRS	Malaysian Financial Reporting Standards
MMLR	Main Market Listing Requirements
MOC	Management of Change
MOF Inc.	Ministry of Finance Incorporated
MRP	Malaysia Reference Price
MSR	Management System Review

GLOSSARY

Abbreviation	Meaning/Definition	Abbreviation	Meaning/Definition
NCCP	National Climate Change Policy	RGT	Regasification
NED	Non-Executive Director	RGTP	Regasification Terminal Pengerang
NEDA	New Enhanced Dispatch Agreement	RGTSU	Regasification Terminal Sungai Udang
NEP	National Energy Policy	RMD	Risk Management Department
NETR	National Energy Transition Roadmap	RP2	Regulatory Period 2
NGO	Non-Governmental Organisation	RP3	Regulatory Period 3
NINED	Non-Independent Non-Executive Director	RPEV	Remote Participation and Electronic Voting
NRC	Nomination and Remuneration Committee	RPTs	Related Party Transactions
NYLP	Nurturing Young Leaders Programme	RRPTs	Recurrent Related Party Transactions
NZCE	Net Zero Carbon Emissions	S&I	Strategic and Initiatives
OEE	Overall Equipment Effectiveness	S1	Standard 1
OEMS	Operational Excellence Management System	S2	Standard 2
OTOBOS	On Time, On Budget, On Scope	SA	Service Agreement
O&M	Operations and Maintenance	SID	Senior Independent Director
PAS	PETRONAS Assurance Standard	SMA	Superior Managed Assessment
PAT	Profit After Tax	SOA	Summary of Authority
PASR	Pre-Activity Safety Review	SORMIC	Statement on Risk Management and Internal Control
PBT	Profit Before Tax	SRC	Sustainability and Risk Committee
PCPP	PETRONAS Corporate Privacy Policy	SSOW	Safe System of Work
PDPA	Personal Data Protection Act	SUP	Sg. Udang Port Sdn. Bhd.
PDR	Product Delivery Reliability	SW	Schedule Waste
PETRONAS	Petroleum Nasional Berhad	T&E	Testing & Exercising
PFRM	Plant Facilities Risk Management	TAGP	Trans-ASEAN Gas Pipeline
PGB	PETRONAS Gas Berhad	TCFD	Task Force on Climate-Related Financial Disclosure
PGB IA	PETRONAS Gas Berhad Internal Audit	TCOT	Terengganu Crude Oil Terminal
PGB LT	PGB Leadership Team	TNFD	Taskforce on Natural-related Financial Disclosures
PGU	Product Delivery Reliability	TOR	Terms of Reference
PLNG2	Pengerang LNG (Two) Sdn. Bhd.	TPRM	Third-Party Risk Management
PLT	Plant Leadership Teams	TSET	Tanjong Sulong Export Terminal
PPM	PETRONAS Penapisan Melaka Sdn. Bhd.	TTM	Trans Thai-Malaysia Sdn. Bhd.
PPRT	Pandemic Preparedness and Response Team	UG	Utilities Gebeng
PRM	PETRONAS Resiliency Model	UK	Utilities Kertih
PSC	Project Steering Committee	UN SDGs	United Nations Sustainable Development Goals
PTSSB	PETRONAS Technical Services Sdn. Bhd.	UOC	Unified Operations Centre
QAIP	Quality Assurance and Improvement Programme	UT	Utilities
		WBP	Whistleblowing Policy

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Board of Directors	Percentage	-	100.00*	100.00
Employees	Percentage	-	100.00*	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	5,232,621.00	5,723,449.54
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	12	1,548
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Leadership Committee (PGB LT) Under 30	Percentage	0.00	0.00	0.00
Leadership Committee (PGB LT) Between 30-50	Percentage	70.00	80.00	90.00
Leadership Committee (PGB LT) Above 50	Percentage	30.00	20.00	10.00
Senior Management (SM and GM) Under 30	Percentage	0.00	0.00	0.00
Senior Management (SM and GM) Between 30-50	Percentage	84.00	86.00	89.00
Senior Management (SM and GM) Above 50	Percentage	16.00	14.00	11.00
First Level Management (Manager) Under 30	Percentage	0.00	0.00	0.00
First Level Management (Manager) Between 30-50	Percentage	98.00	98.00	97.00
First Level Management (Manager) Above 50	Percentage	2.00	2.00	3.00
Non-Management (Executive, Non Executive, Secretary and TTS) Under 30	Percentage	15.00	16.00	19.00
Non-Management (Executive, Non Executive, Secretary and TTS) Between 30-50	Percentage	76.00	75.00	71.00
Non-Management (Executive, Non Executive, Secretary and TTS) Above 50	Percentage	9.00	9.00	10.00
Gender Group by Employee Category				
Leadership Committee (PGB LT) Male	Percentage	70.00	70.00	70.00
Leadership Committee (PGB LT) Female	Percentage	30.00	30.00	30.00
Senior Management (SM and GM) Male	Percentage	87.00	83.00	81.00
Senior Management (SM and GM) Female	Percentage	13.00	17.00	19.00
First Level Management (Manager) Male	Percentage	77.00	75.00	72.00
First Level Management (Manager) Female	Percentage	23.00	25.00	28.00
Non-Management (Executive, Non Executive, Secretary and TTS) Male	Percentage	89.00	89.00	89.00
Non-Management (Executive, Non Executive, Secretary and TTS) Female	Percentage	11.00	11.00	11.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67.00	62.00	62.00
Female	Percentage	33.00	38.00	38.00

Internal assurance

External assurance

No assurance

(*)Restated

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2022	2023	2024
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	22.00	25.00	0.00
Above 50	Percentage	78.00	75.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	18,175,000.00*	17,127,778.00*	17,630,556.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	1	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.08	0.08	0.27
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	1,544	1,475
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Leadership Committee (PGB LT)	Hours	276	834	571
Senior Management (SM and GM)	Hours	2,066	3,162	3,360
First Level Management (Manager)	Hours	3,964	9,219	11,835
Non-Management (Executive, Non Executive, Secretary and TTS)	Hours	109,074	177,463	183,115
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00	0.70	1.90
Bursa C6(c) Total number of employee turnover by employee category				
Leadership Committee (PGB LT)	Number	1	1	0
Senior Management (SM and GM)	Number	3	3	2
First Level Management (Manager)	Number	2	0	4
Non-Management (Executive, Non Executive, Secretary and TTS)	Number	37	57	50
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	1	0	1
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	99.00	99.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	4,063.000000	4,168.000000	4,543.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	2,172.00	3,266.00	2,504.56
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,033.00	2,104.00	1,799.13
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,394.00	647.00	710.99
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	5,754,544.00	5,859,402.00	6,074,946.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	49,762.00	49,165.00	51,319.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	5,055.00

Internal assurance External assurance No assurance

(*)Restated

PETRONAS GAS BERHAD

Registration No. 198301006447 (101671-H)

PROXY FORM

for the 42nd Annual General Meeting



PETRONAS

Number of Ordinary Shares Held	
CDS Account Number	

I/We _____ NRIC/Passport No./Company No: _____
(Full Name in Block Letters)

of _____ Telephone No: _____
(Full Address)

Email address: _____ being a member of PETRONAS Gas Berhad (the Company) hereby appoint:

Full Name (in Block Letters)	Proportion of Shareholdings	
	No. of Shares	%
NRIC/Passport No.		
Address		

and / or (delete as appropriate)

Full Name (in Block Letters)	Proportion of Shareholdings	
	No. of Shares	%
NRIC/Passport No.		
Address		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 42nd Annual General Meeting (42nd AGM) of the Company which will be held physically at Taming Sari Grand Ballroom, Royale Chulan Kuala Lumpur, 5 Jalan Conlay, Kuala Lumpur City Centre, 50450, Kuala Lumpur, Malaysia on **Wednesday, 23 April 2025 at 10.00 a.m.** and at any adjournment thereof on the following resolutions referred to in the Notice of the 42nd AGM. My/our proxy is to vote as indicated below:

No.	Resolutions	For	Against
1.	Re-election of Datuk Adif Zulkifli as a Director		
2.	Re-election of Farina Farikhullah Khan as a Director		
3.	Increase of the Directors' fees from RM288,000 to RM360,000 per annum for the Non-Executive Chairman and from RM144,000 to RM240,000 per annum for each Non-Executive Director with effect from 1 May 2025		
4.	Directors' fees and allowances payable to the Non-Executive Directors of up to RM3,000,000 with effect from 24 April 2025 until the next Annual General Meeting of the Company		
5.	Re-appointment of KPMG PLT as Auditors of the Company and authorise the Directors to fix their remuneration		

Note: Please refer to the Notice of 42nd Annual General Meeting for full details of the proposed Resolutions.

(Please indicate with an "X" in the spaces provided whether you wish your vote to be casted for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit).

Date : _____ 2025

Signature/Common Seal of Shareholder(s)

NOTES:

1. The 42nd AGM of the Company will be held on a physical mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) to attend physically in person at the Meeting Venue.
2. A member of the Company who is entitled to attend, participate, speak and vote at the meeting may appoint not more than two proxies to attend and vote on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA), it may appoint at least one proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said Securities account.
4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for the multiple beneficial owners in one Securities Account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited with Boardroom Share Registrars Sdn. Bhd. not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with:
 - (a) Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor; or
 - (b) email to bsr.helpdesk@boardroomlimited.com

- (ii) By electronic means
The proxy form can be electronically lodged with Boardroom Share Registrars Sdn. Bhd. through BoardRoom Smart Investor Portal (BSIP) at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgment of proxy form via BSIP.
7. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
8. Last date and time for lodging the proxy form is on **Monday, 21 April 2025 at 10.00 a.m.**
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom Share Registrars Sdn. Bhd. or alternatively, the Customer Service Centre at the address stated under item (5)(i)(a) above not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with Boardroom Share Registrars Sdn. Bhd. or alternatively, the Customer Service Centre at the address stated under item (5)(i)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
11. By submitting the duly executed Proxy Form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 42nd AGM and any adjournment thereof.

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Boardroom Share Registrars Sdn. Bhd.
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We **utilised FSC Certified paper, X-Per Premium White paper and eco-friendly ink** for all our reports.

We **reduced our pagination and transitioned to standard A4 size** to minimise paper usage and waste.

We **decided not to print our Sustainability Report** to demonstrate our commitment in safeguarding the environment.

Our actions speak volumes as we lead by example, **upholding our commitment to the planet.**





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