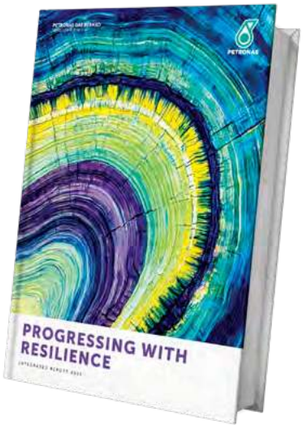
PETRONAS GAS BERHAD
198301006447 (101671-H)

PETRONAS

PROGRESSING WITH RESILIENCE

INTEGRATED REPORT 2025



About This Report

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

Table of Content | Search
Previous Page | Next Page

Integrated Reporting Approach

PETRONAS Gas Berhad (PGB or the Group) prepares this Report using an integrated reporting approach that connects financial performance, business activities and sustainability priorities within a single, coherent narrative. The Report is aligned with the International Integrated Reporting Framework and explains how strategy, governance, performance and prospects interact to create value in the short-, medium- and long-term. This approach enhances transparency and provides stakeholders with a clear and balanced view of the Group's operations and corporate conduct.

Regulations and Guidelines

- Companies Act 2016
- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance 2021
- Bursa Malaysia's Corporate Governance Guide (4th Edition)
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards S1 and S2

Scope and Boundary of Reporting

This Report covers the principal activities of the Group, including its business segments, subsidiaries and joint ventures. It is prepared to meet the information needs of long-term investors while providing relevant insight for other key stakeholders, including employees, customers, government agencies, regulators, suppliers and communities. The reporting period is from 1 January to 31 December 2025, unless otherwise stated.

Restatement of Information

Certain comparative data for 2023 and 2024 have been restated to reflect the standardisation of calculation methodologies or revised interpretations of applicable reporting requirements. Where restatements have been made, the basis for the changes is disclosed accordingly.

Our Governance and Sustainability Approach

Our Ability to Create and Protect Value

The Group's governance and sustainability approach is embedded within strategic decision-making across the short-, medium- and long-term. It aligns corporate objectives with broader societal considerations in the pursuit of sustainable value creation.

The governance framework establishes clear accountability, oversight and ethical conduct across the organisation. It guides leadership and corporate citizenship while safeguarding the integrity of operations. The sustainability approach complements this by integrating considerations of economic, environmental, social and governance into business planning and execution. Further details are set out in the Sustainability Report.

SR *Read more about sustainability in our Sustainability Report.*

Forward-Looking Statements

Certain statements in this Report, including those related to future plans, sustainability initiatives and energy transition efforts, are forward-looking in nature. These statements are based on current expectations and assumptions that are subject to risks, uncertainties and changes in circumstances. Actual outcomes may differ materially. PGB does not undertake to update these statements except as required by law or regulation.

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 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

Integrated Report

Sustainability Report

43RD ANNUAL GENERAL MEETING OF PETRONAS GAS BERHAD

Date:
Wednesday,
10.00 a.m.
29 April 2026

Venue:
Grand Ballroom, Basement II, Shangri-La Kuala Lumpur,
11 Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

Inside This Report

PETRONAS Gas Berhad at a Glance

2025 Key Highlights
02 Financial Highlights
03 Business Highlights
04 Sustainability Highlights
05 Awards and Recognitions

Who We Are
06 Statement of Purpose / Shared Values / How We Differentiate Ourselves / Cultural Beliefs
07 Corporate Structure

Where We Operate
08 Our Presence
10 Our Group Business Activities and Processes

Leadership Message
14 Chairman's Message
18 Managing Director/Chief Executive Officer's Review
23 Chief Financial Officer's Review

How We Create Value
27 Our Operating Environment
30 Engaging Our Stakeholders
34 Determining Our Material Matters
40 Our Value Creating Business Model
42 Our Strategic Agenda
45 Strategic Focus Areas and Key Performance Indicators
48 Risks Linked to Strategy

Our Performance

Business Review
52 Gas Processing
54 Gas Transportation
56 Regasification
58 Utilities

Financial Review
60 Five-Year Group Financial Review
61 Five-Year Group Financial Summary
63 Five-Year Group Financial Information
64 Group Quarterly Performance
65 Simplified Group Statement of Financial Position
66 Key Interest-Bearing Assets and Liabilities
66 Statement of Value Added
67 Distribution of Value Added
68 Investor Relations
71 Financial Calendar
72 Share Price Performance

Sustainability Review
74 Approach on Sustainability
76 Sustainability Scorecard

Commitment to Strong Governance
78 Organisation Structure
79 Board at a Glance
80 Profile of the Board of Directors
89 Company Secretaries
90 Profile of Leadership Team
95 Chairman's Statement On Corporate Governance
96 Corporate Governance Overview Statement
119 Board Audit Committee Report
132 Nomination and Remuneration Committee Report
139 Board Sustainability and Risk Committee Report
143 Statement on Risk Management and Internal Control

160 Financial Statements

Additional Information
255 Corporate Information
256 Corporate Directory
257 Analysis of Shareholdings
261 Disclosure of Financial Data for Shariah Screening
263 Summary of Landed Property, Plant and Equipment
271 Top 10 Landed Property, Plant and Equipment
272 Notice of the 43rd Annual General Meeting (AGM)
276 Administrative Guide For the 43rd Annual General Meeting (43rd AGM) of PETRONAS Gas Berhad
282 Glossary
283 Bursa Malaysia CSI Platform Table Proxy Form

Our Six Capitals

F Financial
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.

N Natural
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, including air, water, land, minerals and forests, as well as biodiversity and ecosystem health.

M Manufactured
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.

I Intellectual
Organisational, knowledge-based intangibles, including intellectual property, such as patents, copyrights, software, rights and licenses, as well as organisational capital such as tacit knowledge, systems, procedures and protocols.

H Human
People's competencies, capabilities, experiences and motivations to innovate in alignment with an organisation's strategy.

SR Social and Relationship
The institutions and 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

PG This icon tells you where you can find more information inside this Report.

SR This icon tells you where you can find more information in the Sustainability Report.

Our Strategic Thrusts

- OE Operational Excellence
- CE Commercial Excellence
- GR Growth
- PC People and Culture

Key Stakeholder Groups

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

Material Matters

- Sustainable Value Creation
- Biodiversity Management
- Sustainable Supply Chain
- Energy Management
- Pollution Management
- Equal Opportunity, Diversity and Inclusion
- Climate Change Management
- Occupational Safety & Health
- Community Engagement
- Waste Management
- Talent Management
- Business Ethics and Transparency
- Water Management
- Human Rights Management
- 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.

2025 Key Highlights

In 2025, PGB continued to deliver long-term value creation in line with the PGB Strategic Agenda. Performance across Gas Processing, Gas Transportation, Regasification and Utilities remained resilient, driven by sustained product reliability, disciplined asset management and ongoing enhancements in safety and operational oversight. The year also saw steady progress in growth initiatives, capability development and the wider adoption of digital tools to support governance and decision-making, alongside strengthened sustainability efforts across the value chain. These collective efforts reinforce PGB's long-term stability while maintaining maximised returns for shareholders.

Financial Highlights

Revenue
RM6.4 billion

2024: RM6.5 billion

Profit After Tax
RM1.8 billion

2024: RM1.9 billion

EBITDA
RM3.4 billion

2024: RM3.4 billion

Dividend Declared
72.0 sen per share

2024: 72.0 sen per share

Total Assets
RM19.8 billion

2024: RM18.8 billion

Market Capitalisation
RM35.9 billion

2024: RM35.0 billion

Earning per share
87.3 sen per share

2024: 92.8 sen per share

Total Equity
RM14.7 billion

2024: RM14.2 billion

Closing Share Price
RM18.14

2024: RM17.68

For further details, please refer to the Financial Review section on pages 60 to 73 of this Report.

Business Highlights

Operational Excellence

- Maintained **100 per cent Product Delivery Reliability** across all Gas Processing products
- **Sustained above world-class Overall Equipment Effectiveness** across Gas Processing, Regasification and Utilities segments

Health, Safety, Security, and Environment (HSSE)

- Recorded **Zero** Fatality, Major Loss of Primary Containment case and Major Security incident
- Recorded **One** Lost Time Injury and **One** Major Fire incident
- Proactive monitoring of leading indicators to **improve governance compliance and HSSE culture**

Strategic Growth

- Completed **expansion of Liquefied Natural Gas (LNG) storage facilities** at Regasification Terminal Pengerang
- Completed and **commenced operations** of **Kluang Compressor Station**
- Received **Letter of Notification and commenced development of 120MW power plant** in the Federal Territory of Labuan
- Achieved **Final Investment Decision** for **fibre optic infrastructure** project along Peninsular Gas Utilisation's Right-of-Way

Building Capabilities and Culture

- Achieved **high scores** on all cultural anchors for the in-house **Organisation Culture Assessment**
- Introduced **in-house leadership programmes** to **strengthen the leadership pipeline** and **build future-ready capabilities**
- Facilitated **307 participants** through the **Nurturing Young Leaders Programme**, including the Commercial Excellence Academy
- Launched the **Leading with Empathy programme** for **Managers and Senior Managers**, with **37 participants** equipped to foster inclusion and empathy across the organisation

Advancing Digital Technologies

- Utilised **low earth orbit satellite connectivity** for turnaround activities to maintain reliable on-site communications
- Introduced the **myGovernance Advisor AI Agent** under the PGB Generative AI Programme to enhance governance and assurance practices
- Strengthened operational efficiency and risk oversight through the **analytics-enhanced Electronic Permit to Work+ 2.0 Dashboard**

For further details, please refer to the Business Review on pages 52 to 59 of this Report.

2025 Key Highlights

Sustainability Highlights

Safeguard the Environment

Greenhouse Gas (GHG) Emissions

- Achieved a **175,778 tonnes CO_2e reduction** in GHG Emissions
- Included **three additional material Scope 3 categories**, comprising Categories 3, 10 and 15

Waste Management

- Achieved a **4R (Recover, Recycle, Reuse and Reduce) rate of 86 per cent,** exceeding the target of 65 per cent, showcasing our commitment to sustainable operations

Water Management

- Advanced **water efficiency initiatives** at selected Utilities and Gas Processing facilities, including condensate reuse, system refurbishment and leak rectification efforts
- Implemented measures such as **rainwater harvesting and optimisation of water treatment systems** to support reductions in freshwater dependency and improved water use efficiency

Energy Management

- Enhanced **energy management practices** through alignment of energy performance terminology with updated PETRONAS technical standards, in compliance with global standards
- Initiated **preparations to comply with the Energy Efficiency and Conservation Act requirements**, including energy governance enhancements where applicable
- Implemented **targeted energy efficiency initiatives** at selected Utilities facilities to improve turbine and heat recovery system performance

Positive Social Impact

Uplifting Lives

- Organised **Uplifting Lives festive initiatives nationwide** in collaboration with PETRONAS regional offices, Jabatan Kebajikan Masyarakat Malaysia and Yayasan PETRONAS
- Extended **aid to targeted beneficiaries and under-served communities** across multiple locations where PGB operates
- Organised **free market** to distribute pre-loved items to **communities in need** ahead of Aidilfitri

Planting Tomorrow

- **First installation of a community solar project** in Melaka through the PGB-Yayasan Hijau Malaysia Solar Programme
- Participated in **turtle conservation activities** and coordinated **coastal clean-up initiatives** along the East Coast
- Supported **environmental awareness efforts** through Hari Alam Sekitar Negara in collaboration with the Department of Environment and local authorities

Powering Knowledge

- Supported Science, Technology, Engineering and Mathematics learning through **education assistance initiatives in Sabah**, including the provision of learning tools to students from underprivileged communities
- Contributed towards **improving learning infrastructure** at a secondary school in Sipitang, Sabah, in collaboration with Yayasan PETRONAS
- Improved **graduate employability** through the **Graduate Employability Enhancement Scheme** which saw the participation of **60 graduates** in 2025
- Continued **student engagement and academic support programmes** covering industry exposure, knowledge sharing and structured tuition for selected secondary school students

For further details on our sustainability achievements, please refer to our standalone Sustainability Report 2025.

Responsible Governance

IFRS S1 and S2 Disclosure Compliance

- Progressed **PGB's alignment with International Financial Reporting Standards S1 and S2 disclosures** which will strengthen the integration of sustainability-related risks and opportunities including climate change into enterprise risk management, governance and financial reporting

FTSE4Good Rating

- Maintained a score of **4.7** in 2025

Corporate Governance

- PGB was recognised among the **Top 50 ASEAN Public Listed Companies** at the **ASEAN Corporate Governance Awards**

Bloomberg ESG Score

- Improved score from 5.31 in 2024 to **5.36** in 2025, surpassing the industry median

Awards and Recognitions

Reporting Awards

- **Gold Award,** Australasian Reporting Award
- **Best of Malaysia** and **Cover Design Categories**, Annual Report Competition Award, New York

Gas Transportation

Malaysia Technology Expo 2025 – International Innovation Awards

- **Gold Award – Digital Management Asset Tracking**
  ICT Category
- **Silver Award – Automation of LNG Drain Spool System Project**
  Protection of the Environment: Water, Wastewater and Sanitisation Category
- **Bronze Award – Thermochromic Sticker for Hotspot Monitoring**
  Safety and Security Category

Who We Are

Malaysia's leading gas infrastructure and 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.
100% *PGB*

PG Gas Processing Sdn. Bhd.
100% *PGB*

PG Energia Sdn. Bhd.
100% *PGB*

PG Transco Sdn. Bhd.
100% *PGB*

PG Linkaranfibre Sdn. Bhd.
100% *PG Energia Sdn. Bhd.*

PG Utilities East Sdn. Bhd.
100% *PG Energia Sdn. Bhd.*

Sipitang Utilities Sdn. Bhd.
90% *PG Energia Sdn. Bhd.*
10% *KAB Energy Holdings Sdn. Bhd.*

PG Cold Energy 1 Sdn. Bhd.
(formerly known as Regas Terminal (Pengerang) Sdn. Bhd.)
72.22% *PG Energia Sdn. Bhd.*
27.78% *Dialog Equity (Three) Sdn. Bhd.*

Pengerang LNG (Two) Sdn. Bhd.
65% *PGB*
25% *Dialog LNG Sdn. Bhd.*
10% *Permodalan Darul Ta'zim Sdn. Bhd.*

Joint Venture

Kimanis Power Sdn. Bhd.*
60% *PGB*
40% *NRG Consortium (Sabah) Sdn. Bhd.*

Kimanis Power (Dua) Sdn. Bhd.*
60% *PG Energia Sdn. Bhd.*
40% *NRG Consortium (Sabah) Sdn. Bhd.*

Kimanis O&M Sdn. Bhd.*
60% *PGB*
40% *NRG Consortium (Sabah) Sdn. Bhd.*

Pengerang Gas Solutions Sdn. Bhd.*
51% *PGB*
49% *Linde Malaysia Sdn. Bhd.*

Industrial Gases Solutions Sdn. Bhd.
50% *PGB*
50% *Linde Malaysia Sdn. Bhd.*

Rancha Power Sdn. Bhd.*
60% *PG Energia Sdn. Bhd.*
20% *Sustainable Power Sdn. Bhd.*
20% *SEC Power Sdn. Bhd.*

Associate

Gas Malaysia Berhad
35.77% *Public Shareholders*
30.93% *Anglo-Oriental (Annuities) Sdn. Bhd.*
18.50% *Tokyo Gas-Mitsui & Co Holdings Sdn. Bhd.*
14.80% *PGB*

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

Where We Operate
Our Presence

Overview

2 Gas Processing Complexes
Total Gas Processing Capacity
1,750MMscfd

2 Utilities Complexes
Electricity **256MW**
Steam **1,080t/h**
Oxygen **32,000Nm³/h**
Nitrogen **77,740Nm³/h**

1 Power Plant
Electricity
285MW

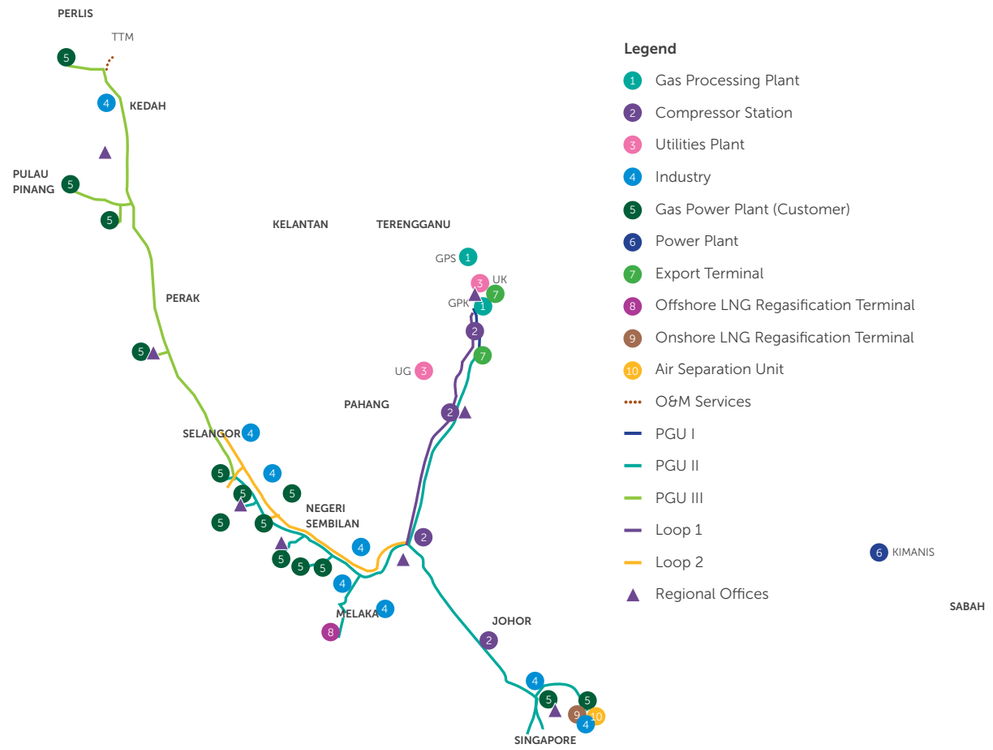
1 Industrial Gases Plant
Oxygen **41,000Nm³/h**
Nitrogen **22,500Nm³/h**

2 Regasification Terminals
Liquefied Natural Gas (LNG) Regas Capacity
990MMscfd

2 Export Terminals
Tanjung Sulong Export Terminal
8,000DWT (Pressurised)
55,000DWT (Refrigerated)

Kertih Shared Marine Facilities
2,500DWT (Pressurised)

2,675 km Overall Pipeline Length



Main Peninsular Gas Utilisation (PGU) Pipeline	Length (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

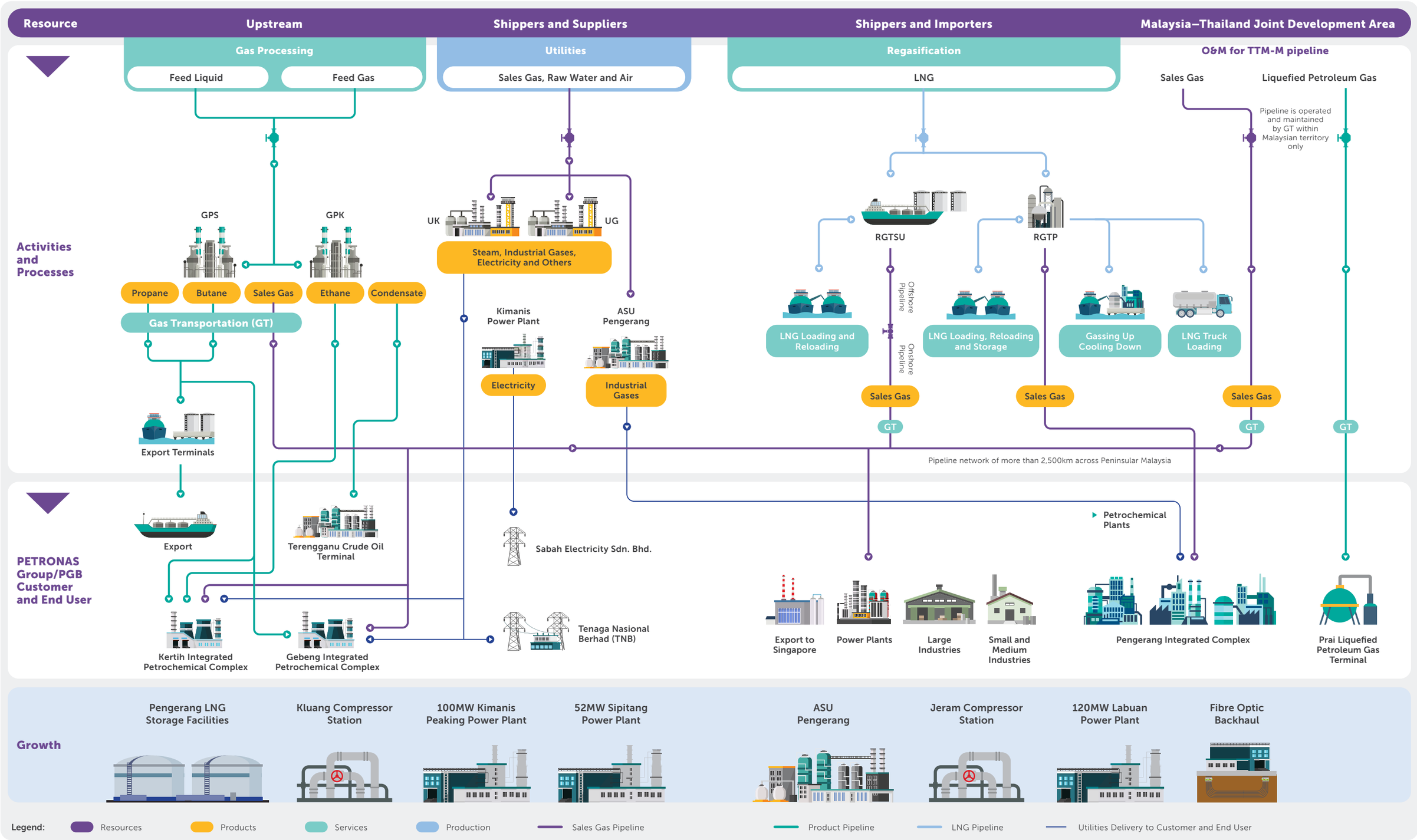
Complex	Electricity (MW)	Steam (t/h)	Oxygen (Nm³/h)	Nitrogen (Nm³/h)
Utilities Kertih (UK)	160	600	32,000	69,500
Utilities Gebeng (UG)	96	480	–	8,240
Kimanis Power Plant	285	–	–	–
Air Separation Unit (ASU) Pengerang	–	–	41,000	22,500
Total	**541**	**1,080**	**73,000**	**100,240**

LNG Regasification Terminal	Capacity (MMscfd)
Regasification Terminal Sungai Udang (RGTSU)	500
Regasification Terminal Pengerang (RGTP)	490
Total	**990**

Operations and Maintenance (O&M) Services
Trans Thai-Malaysia (M) Sdn. Bhd. (TTM-M)

Where We Operate

Our Group Business Activities and Processes



Where We Operate
Our Group Business Activities and Processes

Resources

Feed Gas

Feed Liquid

Gas Processing Plant

1. Feed Pre-Treatment Unit
2. Acid Gas Removal Unit
3. Dehydration and Mercury Removal Unit
4. Low Temperature Separation Unit
5. Product Recovery Unit

Remove

- Water and Chloride
- Carbon Dioxide
- Hydrogen Sulphide
- Moisture
- Mercury

Products

- Sales Gas
- Ethane
- Propane
- Butane
- Condensate

Pipeline → Pipeline → Shipment

Pipeline

Resources*

Sales gas, propane and butane from:

- Gas Processing Plants
- LNG Regasification Terminals
- Trans Thai-Malaysia Gas Separation Plant

** Resources and products belong to shippers*

Transportation System

Pipeline | Compressor Station | Metering Station

Services

Sales Gas Delivery

Power

- Power Plants
- Export to Singapore

Non-Power

- Petrochemical Plants
- Large Industries
- Small and Medium Industries

Propane and Butane Delivery

- Petrochemical Plants
- Export

Resources*

Liquefied Natural Gas

** Resources and products belong to shippers*

Regasification Terminals

RGTSU (Offshore)

RGTP (Onshore)

Storage Unit

Regasification Unit

Products

- Sales Gas Delivery
- Pipeline
- Pengerang Integrated Complex

Services

RGTSU → LNG Loading and Reloading

RGTP →
- LNG Truck Loading
- LNG Loading, Reloading and Storage
- Gassing Up Cooling Down

Resources

Sales Gas

Raw Water

Air

Utilities Plant

Cogeneration Plant | Cooling Water Plant | Demineralisation Plant | Air Separation/ Nitrogen Generation Unit | Effluent Treatment Plant

Products

- Electricity, HHP Steam, HP Steam, IP Steam, LP Steam → Petrochemical Plants
- Demineralised Water, Cooling Water → Petrochemical Plants
- HP Nitrogen, LP Nitrogen, HP Oxygen, LP Oxygen → Petrochemical Plants
- Liquid Nitrogen, Liquid Oxygen, Liquid Argon → Industries
- Effluent Treatment → Industries
- Electricity → TNB (NEDA)

Legend: Gas | Liquid | Product | By-Product | Contaminants | Electricity

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

Chairman's Message

Dear Valued Shareholders,

2025 was a year that tested the resilience of our organisation and the strength of our convictions. In navigating a complex and demanding landscape, we remained steadfast in our duties and focused on safeguarding long-term value while upholding the trust placed in us.

Datuk Adif Zulkifli
Chairman

Stewarding Responsible Value Creation in a Shifting Energy Landscape

Navigating a Dynamic and Challenging Energy Landscape

The global energy landscape remained highly dynamic in the year under review. Geopolitical tensions, shifting trade policies and supply chain constraints continued to influence market behaviour, while foreign exchange fluctuations and a persistently high Service Producer Price Index added to the sector's cost pressures.

Concurrently, global energy demand expanded at a faster pace as cooling needs, industrial activity and data centre growth accelerated. While the growth of renewables continues to ramp up, natural gas is ultimately the key destination fuel globally due to its reliability, lower-carbon profile and ability to meet rising power demand.

Within this environment, we maintained disciplined cost management and focus on long-term strategic growth. This enabled the Group to safeguard business continuity and sustainability.

During the year, we also navigated an unprecedented incident at Putra Heights, which required focused recovery efforts and sustained support for the affected communities. The incident reinforced the importance of continuous enhancements, heightened vigilance and consistent engagement with stakeholders.

Amid these challenges, the Board continued to provide clear oversight, sound judgement and principled guidance, enabling PGB to respond with diligence and care, while continuing to progress with resilience.

Advancing National and Regional Energy Ambitions

Malaysia's policy direction continued to reinforce the importance of a secure and orderly energy transition. The National Energy Policy 2022–2040, the National Energy Transition Roadmap (NETR) and the 13th Malaysia Plan (RMK13) outline a pathway that balances economic growth with lower-carbon development. These policies recognise PGB's role as the nation's leading gas infrastructure operator in supporting energy security.

2025 also marks the conclusion of Regulatory Period 2 under the Government's Third-Party Access framework and the transition into Regulatory Period 3. As the regulatory framework evolves, PGB remains committed to uphold cost discipline and the long-term resilience of Malaysia's gas industry, while maintaining competitive tariffs.

Regionally, Malaysia's ASEAN Chairmanship in 2025 advanced regional energy cooperation with the endorsement of the ASEAN Plan of Action for Energy Cooperation (APAEC) 2026–2030, setting the strategic direction for energy security and transition across the region. Amid rising electricity consumption and digital economy growth, Southeast Asia's demand for natural gas is expected to remain resilient, particularly in power generation.

Together, these developments highlight the relevance of PGB's role in supporting Malaysia's energy transition and the wider regional agenda. The Board continues to guide selected growth initiatives that align with these national imperatives.

This includes development of gas infrastructure to support power sector growth and exploration of new opportunities associated with digital connectivity along the pipeline network. These efforts reflect our strength and commitment to support Malaysia's energy transition objectives while contributing to sustainable shareholder value.

Upholding Strong Governance and Responsible Oversight

Strong governance remained fundamental to sustaining stakeholder confidence and supporting PGB's role in the nation's energy system. In 2025, the Board continued to strengthen its governance framework while overseeing a transition in the Board composition, which now has a majority of independent non-executive directors, reflective of best practices as recommended by the Malaysian Code on Corporate Governance.

The Board also reviewed its remuneration philosophy and framework, aligned with prevailing market conditions and PETRONAS' new standards.

We enhanced our governance disclosures in line with emerging sustainability and financial reporting requirements. PGB has addressed all International Financial Reporting Standards (IFRS) S2 climate-related disclosure expectations and is progressing to incorporate all IFRS S1 general sustainability disclosures. These efforts are supported by improvements to related internal systems, data structures and validation processes, consistent with our commitment to provide clear and credible information to stakeholders. We also completed a full materiality assessment in 2025, laying the foundation for a double materiality assessment in the future.

Regulatory developments remain a key focus for the Board. The evolving sustainability landscape, including regulations related to carbon pricing, national climate plans, solid waste management as well as Carbon Capture, Utilisation and Storage legislation, requires ongoing alignment between governance frameworks and business strategy. Management continues to assess the implications of these developments and provides regular updates to ensure that PGB is well-positioned to respond. Efforts in determining internal carbon tax impacts, for example, support long-term readiness by evaluating potential financial and operational challenges and developing strategies to safeguard the Group's competitiveness.

Embedding Sustainability Elements in Sustainable Value Creation

Sustainability is central to our long-term direction and guides how we strengthen our role as a national gas infrastructure operator. In 2025, we implemented initiatives under the PGB Sustainability Blueprint, which is built on the four lenses of Sustainable Value Creation, Safeguard the Environment, Positive Social Impact and Responsible Governance. We also initiated efforts to refresh the blueprint in 2026 to ensure that our ambitions are aligned with the evolving landscape and our reimagined business growth strategy.

Chairman's Message

In addition, we recalibrated our Net Zero Carbon Emissions by 2050 Pathway in alignment with business growth strategy and increased the visibility of emissions across the value chain through the assessment of material Scope 3 categories. These insights support long-term planning and help us balance growth with responsible environmental management. As the national sustainability landscape matures, we remain committed to integrating climate considerations into business decisions in a practical and informed manner.

Beyond our operational footprint, we continue to invest in community well-being through our three Social Impact Management pillars: Uplifting Lives, Planting Tomorrow and Powering Knowledge. In 2025, we initiated a collaboration with Yayasan Hijau Malaysia to install solar panels at the Masjid Tanah Sentral bus terminal in Alor Gajah, Melaka.

Recognition of Excellence

In 2025, PGB continued to be recognised for its commitment to excellence across the business, receiving awards that reflected strong performance in governance, innovation and corporate reporting.

We were recognised among the Top 50 ASEAN Public Listed Companies for Corporate Governance, affirming our focus on integrity, accountability and responsible stewardship. Our commitment to transparent reporting was also acknowledged through a Gold Award at the Australasian Reporting Awards and two Best of Category wins at the Annual Report Competition Awards in New York.

In addition, our innovation in digital tools that strengthen digitalisation, environmental performance and safety was recognised at the 24th Malaysia Technology Expo, where we received three awards under the International Innovation Award programme.

Putra Heights Response

We approached the aftermath of the Putra Heights incident with a clear focus on transparency, ensuring that engagement with affected and concerned communities was guided by fairness, empathy and care. Support for affected families was coordinated with state and federal agencies and guided by our commitment to act responsibly and respectfully. Immediately after the incident, PGB mobilised resources and volunteers at temporary relief centres to help ensure that affected families received support and were in a safe environment during a difficult period.

In addition, we reinforced trust and deepened cooperation with communities through programmes under PGB*Connects* such as the Tenang programme that focused on mental well-being and the Awareness and Action Programme to inculcate confidence in coexistence. We also strengthened outreach along the pipeline Right-of-Way and created more avenues for dialogue with residents, local authorities and government agencies to provide a clearer understanding of our operations. Furthermore, we continued to work together in areas where development intersects with our pipeline corridor, recognising that long-term coexistence depends on close collaboration among all stakeholders.

The Group also provided medical aid and partnered with government agencies to contribute towards property repair assistance.

Emergency Response Exercise at Taman Pelangi Indah, Ulu Tiram, Johor

Delivering Shareholder Value

Despite a challenging operating environment in 2025, the Board remained committed to delivering consistent shareholder returns, in line with our dividend policy of distributing approximately 50 per cent of 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 82.5 per cent of our net earnings, underscoring the Board's commitment to delivering optimum returns to shareholders, while preserving balance sheet strength and supporting long-term growth priorities.

Guiding PGB Through a Changing Energy Landscape

Looking ahead to 2026 and beyond, the regional energy landscape is expected to be shaped by rising power demand, accelerated electrification and the continued expansion of data centres and digital infrastructure across ASEAN. These trends reveal the need for reliable and flexible energy systems as countries balance economic growth with decarbonisation objectives. Within this context, natural gas is expected to continue playing an important role in supporting grid stability and enabling the integration of renewable energy in the energy mix across the region. In addition, even as the global focus on sustainability has lost some momentum, we remain consistent in the execution of our sustainability commitments, having embedded them deeply into the business.

At the policy level, ASEAN cooperation will continue to deepen through initiatives which aim to strengthen cross-border interconnection and energy security. These regional efforts, alongside national transition pathways, are expected to drive higher demand for more resilient gas infrastructure and regasification utilisation, as well as explore potential new gas infrastructure. For Malaysia, the alignment of RMK13 and the NETR reinforces this direction by supporting supply security while advancing lower-carbon solutions.

The Board remains focused on guiding PGB through this period shaped by regulatory evolution, growing sustainability expectations and emerging opportunities across the energy landscape. This includes paying close attention to policy developments, national climate planning and the maturing sustainability reporting environment. These shifts will influence how energy companies plan and invest, and the Board will ensure that PGB is well-prepared to respond responsibly and competitively to meet evolving shareholder expectations.

Across these drivers, the Board's priority is consistent. We will continue to exercise disciplined oversight as PGB evolves beyond our core, maintains resilience, grows shareholder value and supports Malaysia's broader energy transition.

Acknowledgements

On behalf of the Board, I would like to acknowledge the communities affected by the incident at Putra Heights and thank them for their cooperation and patience during the response and recovery process. I also extend my appreciation to our employees for their professionalism and commitment throughout the year, including those who worked under demanding conditions to support safe operations and continuity of supply. I further record our recognition to the PETRONAS Group, our partners and stakeholders for their continued engagement and support, and to our shareholders for their confidence in PGB as we continue to advance our long-term priorities.

We also wish to express our gratitude to Datuk Yeow Kian Chai, Marina binti Md Taib and Hasliza binti Othman, who stepped down from the Board in 2025. Their contributions supported the strengthening of our governance and oversight. We also welcome Datuk Dr. Yatimah binti Sarjiman, Lim Li Ping, Yusa' bin Hassan and Izwan bin Ismail to the Board. Their experiences and perspectives will enhance the Board's effectiveness, actively supporting PGB's next phase of growth.

Finally, I extend my appreciation to my fellow Directors for their guidance and commitment during the year. We remain focused on supporting PGB as it continues to play an important role in Malaysia's evolving energy landscape.

Managing Director/ Chief Executive Officer's Review

Upholding Resilience, Discipline and Responsible Growth

Abdul Aziz Othman
Managing Director/
Chief Executive Officer

Dear Valued Shareholders,

The year 2025 was a challenging year for PGB as we navigated the evolving energy sector. Despite a demanding operating context, we maintained clarity of direction and delivered steady progress across our operational and growth priorities. Our teams delivered with resilience and dedication, ensuring that we continued to support the nation's energy security while responding to new and emerging risks.

Our Operating Environment

Malaysia's gas market in 2025 continued to see firm demand from industrial and power sectors, supported by economic activity and the steady role of natural gas as a destination fuel in the national energy mix. The energy landscape has evolved amid rising electricity consumption and growing data centre development, all of which require reliable gas transportation infrastructure and regasification capacity.

During the year, the industry also faced an unprecedented safety incident at Putra Heights that tested the resolve of our entire organisation. The incident required us to respond decisively while maintaining operational continuity across the national gas network. These conditions required PGB to ensure the safety of the affected community, strong asset integrity, disciplined cost management and closer coordination with regulators and state planning authorities, while maintaining stability and growth.

With the Department of Occupational Safety and Health finding that the incident occurred due to effects of anthropogenic activities, we recognised that this is a new and emerging risk which needs to be brought under control.

Achievements Across Our Four Dimensions of Excellence

Throughout 2025, we remained focused on the four pillars of our Strategic Agenda. These pillars continued to guide our decisions and ensured that we upheld the standards as the nation's leading gas infrastructure and utilities company operator. Despite a demanding operating environment, PGB recorded steady progress across operations, projects, commercial activities and growth initiatives.

Operational Excellence

We continue to prioritise Overall Equipment Effectiveness (OEE) and Product Delivery Reliability across all operating segments.

- Maintained stable and consistent operating performance in Gas Processing, meeting all delivery requirements under the current incentive framework and sustaining maximum availability for key products
- Delivered strong incentive outcomes under the performance-based structure, reflecting disciplined operations and sound asset management practices
- Sustained dependable operations in the Utilities segment with OEE performance above planned levels across key products
- Ensured continuous and reliable gas supply despite the Putra Heights incident through close collaboration with shippers and other stakeholders, maintaining high Product Delivery Reliability
- Maintained steady performance at both regasification terminals, ensuring consistent supply to the national gas network

Project Excellence

Project execution remained disciplined, with strong adherence to safety, schedule and scope.

- Completed all 11 projects without major Health, Safety and Environment incidents
- Achieved high Safe On Time On Budget On Scope performance across the project portfolio
- Strengthened risk management and controls to meet evolving project requirements, while ensuring seamless project delivery
- Continued to progress key infrastructure upgrades and expansion works that support long-term business resilience

Commercial Excellence

Commercial activities remained focused on fulfilling contractual obligations and sustaining value.

- Completed a settlement with a customer over an outstanding electricity supply agreement dispute
- Obtained approval from Suruhanjaya Tenaga for the revision of tariffs for gas transportation and regasification services under Regulatory Period 3

Growth Excellence

Our growth agenda remained disciplined and focused on leveraging our existing strengths while advancing selected new opportunities.

Completed in 2025

- **Pengerang Liquefied Natural Gas (LNG) Storage Facilities:** Achieved Commercial Operation Date in August 2025. The facility has since supported LNG storage, ship-to-ship activities and enhanced system flexibility
- **Kluang Compressor Station:** Completed and achieved Initial Acceptance in October 2025. This facility increases the existing capacity in PGU II Sector 3 to cater to new gas demand from the southern region

Ongoing Projects

- **100MW Kimanis Peaking Power Plant:** Construction progressed steadily and remains on track for commercial operations in 2026. This project will support electricity reliability in Sabah
- **52MW Sipitang Power Plant:** Construction as planned towards targeted completion by end of 2026. This project will provide reliable power supply to an upcoming LNG project in Sipitang
- **Pengerang LNG-driven Air Separation Unit:** Construction continued as planned towards targeted completion in 2026. The project will supply industrial gases using cold energy recovered from regasification operations
- **120MW Labuan Power Plant:** Received the Letter of Notification and commenced development activities. The plant will support Labuan's power stability and future economic growth

New Project in 2025

- **Fibre Optic Backhaul Infrastructure:** Achieved Final Investment Decision to develop approximately 880km of fibre infrastructure along PGB's Right-of-Way. Since commencement in September 2025, the project has reached about 30 per cent completion, equivalent to about 130km constructed, remaining on track for Ready-for-Service in the first quarter of 2027, supporting long-term value creation and portfolio diversification

Managing Director/ Chief Executive Officer's Review

Delivering Sustainable Value

In 2025, despite a challenging operating environment, the Group maintained a resilient performance. We recorded revenue of RM6,373.8 million, a decline of 2.5 per cent compared to the previous year, mainly due to lower prices in the Utilities segment and lower Gas Transportation revenue, following a downward tariff adjustment arising from the sharing factor for the prior year's lower internal gas consumption.

Gross profit declined by 5.7 per cent to RM2,147.6 million, reflecting lower revenue, as well as costs incurred for gas supply restoration works and higher levels of maintenance activities. Notwithstanding this, profit before tax amounted to RM2,345.0 million, supported by a one-off income arising from a customer settlement related to an electricity supply agreement dispute. Profit after tax stood at RM1,836.5 million, underscoring the Group's ability to preserve earnings strength amid operational and cost pressures.

Driving a Generative HSSE Culture Across Operations

Safety remained a central focus throughout 2025. Across the organisation, we continued to cultivate a stronger generative Health, Safety, Security and Environment (HSSE) culture, which contributed to lower total recordable cases compared to the previous year.

This improvement was supported by several initiatives designed to reinforce risk awareness capability building and proactive safe behaviours. Key initiatives included the Personal Accountability Framework to clarify expectations for individual responsibility in managing HSSE risks, HSSE Month to build awareness and participation through engagement activities and the Walking Challenge to promote health and well-being while reinforcing generative culture behaviours. Capability building was also strengthened through the HSSE Clinic, which provided a platform for employees to clarify compliance requirements and share improvement ideas.

Operational preparedness was reinforced through Emergency Response Exercises to validate readiness and strengthen coordination with relevant authorities. The Awareness and Action Programme complemented these drills by engaging stakeholders and communities to raise awareness on pipeline safety and emergency preparedness. This included an emergency response strategy supported by an Incident Action Plan for the interconnecting pipeline via advanced targeted process safety and asset integrity initiatives. In addition, real-time risk management was further strengthened through enhancements to the Spot the Active Risk dashboard and HSSE leading indicators for earlier visibility and intervention.

Climate Action for Sustainability

Guided by the PGB Sustainability Blueprint and its four lenses, we focused on executing initiatives that integrate sustainability into day-to-day operations and investment decisions. Priority was placed on strengthening climate readiness, improving environmental management and embedding responsible practices across the value chain.

Incorporating Carbon Risk Exposure in Capital Planning

In 2025, we continued to embed sustainability elements into our operational and investment decisions through initiatives under the Sustainable Value Creation lens. A key focus was improving emissions data visibility of growth projects to support informed capital planning. We have conducted carbon footprint assessments for all major growth projects in 2025, including developments related to cold energy utilisation, fibre optic infrastructure and regasification facilities. These assessments quantified project-level carbon exposure, steering us to incorporate carbon considerations into early-stage evaluation processes.

Building on this data foundation, work progressed under the dedicated carbon tax readiness taskforce, established to assess the potential impact of future carbon pricing on our value chain. The taskforce will continue to monitor emerging regulatory requirements and assess the operational and financial implications to the Group to ensure we are prepared for the introduction of formal carbon mechanisms.

Decarbonisation and Scope 3 Emissions Studies

In parallel, we continue technical studies on long-term decarbonisation potential in our business sectors. These studies include evaluating the viability and scalability of carbon capture and storage, as well as cold energy recovery utilisation.

Furthermore, we have established visibility for all Scope 3 emissions across our supply chain beyond Categories 6 and 7, as mandated by Bursa Malaysia in 2024. This involved identifying material categories of Scope 3 emissions sources and disclosing the top 95 per cent of these sources, in line with the new National Sustainability Reporting Framework requirements.

Collectively, these efforts to understand our emissions profile and decarbonisation pathways will be further assessed and its outcomes, where necessary, will be reflected into the assumptions that guide our Net Zero Carbon Emissions by 2050 Pathway.

Investing in Our People and Upholding Workplace Standards

Under the Positive Social Impact lens, our focus in 2025 centred on strengthening workforce capability, sustaining engagement and upholding workplace standards that support safe and reliable operations.

Our people remain central to PGB's ability to deliver safe and reliable operations. In 2025, we strengthened leadership capability through structured programmes anchored on the PETRONAS Leadership and Conditioning Framework. We accelerated succession readiness through the Nurturing Young Leaders Programme, with participants completing modules on commercial excellence, effective thought structuring, resilience, customer experience and leadership behaviour. Middle managers were developed through the Dynamic Leadership and Leading with Empathy Programmes, while senior managers and top talent progressed through the High Impact Leadership Programme and specialist learning pathways co-developed with external partners.

Talent pipeline development was also a key priority with PGB's ongoing sponsorship of 27 students under the Technical Energy Enrichment Programme. The 10-month pre-employment programme comprises Competency Based Assessment modules based on the PETRONAS Occupational Skill Standard, complemented by experiential learning at PGB plants. To date, 31 sponsored students who completed the programme were offered placement in PGB.

Engagement and culture-building efforts continued throughout the year. Employee communication was maintained through townhalls, newsletters and ongoing engagement with employee unions. We achieved an average post-engagement satisfaction score of 99 across six assets. Inclusive leadership practices were enhanced through the Conscious Inclusion Programme for the leadership team.

As a result of our consistent focus in this area, we recorded a 96 per cent response rate in the Organisation Culture Assessment, which helped us identify areas that require further improvements in order to sustain a high performance culture and desired behaviours across the organisation.

In addition, the Board endorsed PGB's Human Rights Policy in 2025, formalising a risk-based due diligence approach across our supply chain. The policy is aligned with internationally recognised benchmarks and guides how actual and potential adverse human rights impacts are identified and addressed.

Reinforcing Governance and Disclosure Readiness

Under the Responsible Governance lens, we recognise that regulatory requirements continue to widen in scope. Consequently, we responded to new requirements under the International Financial Reporting Standards by strengthening internal processes for collecting, validating and reporting climate-related information.

In addition, we actively engaged with relevant ministries and regulators, as well as peers and technical experts, to understand and provide feedback on evolving standards. This was done to ensure that our internal systems continued to align with external reporting expectations.

Our continuous effort in addressing evolving reporting requirements was recognised, as we successfully maintained a FTSE4Good score of 4.7 in 2025, with a full score of 5 in governance.

Strengthening Organisational Foundation

Business Reorganisation

During the year, the Board approved PGB's internal reorganisation that would be executed via a Scheme of Arrangement exercise. The reorganisation will streamline PGB's business divisions into identifiable entities by establishing a clear distinction between regulated and non-regulated businesses. This will provide the entities with greater transparency, strengthening focus to adopt industry standards and allowing flexible capital management.

Following the reorganisation, PGB will remain competitive, efficient and relevant, aligned with its medium- to long-term strategic agenda.

Digitalisation and Advanced Analytics

Digitalisation continued to strengthen our operating foundation as we advanced initiatives that improved visibility, connectivity and decision-making across our asset base. We upgraded connectivity at selected locations, which included the use of low earth orbit satellite technology at major maintenance activities to improve communication. Furthermore, we expanded the use of predictive emissions monitoring across gas turbines, cogeneration units and auxiliary boilers to support more consistent emissions estimation in line with regulatory requirements.

Managing Director/ Chief Executive Officer's Review

In operations, analytics was applied to enhance decision-making under the New Enhanced Dispatch Arrangement scheme to help with injection decisions based on real-time system conditions. In addition, the use of analytics strengthened operational control and safety at work sites via the e-Permit to Work+ 2.0 dashboard. These initiatives were enabled by ongoing investments in connectivity, including 5G and other technologies, to enhance safety across the organisation.

We also continued to strengthen decision-making and operational control through the expanded use of digital tools and analytics. As part of this effort, we initiated the PGB Generative AI Programme and deployed the myGovernance Advisor to assist with governance and assurance processes within the myGovernance application, particularly in navigating procedural complexity and document review.

Outlook

As we look ahead, we will pursue growth in line with our long-term strategy while reinforcing operational resilience and stakeholder confidence. Our priorities are clear. We will sustain disciplined project execution and strengthen safety governance, with enhanced controls calibrated to emerging and external risks that may affect asset integrity and reliability. Operational discipline, proactive asset management and cost optimisation will remain central to sustaining earnings quality in a dynamic environment.

In parallel, we will advance infrastructure development to meet Malaysia's evolving energy requirements. Opportunities under the 13th Malaysia Plan and the National Energy Transition Roadmap will guide our next phase of expansion, where each initiative will be evaluated against strategic fit, capital discipline and long-term value creation.

Beyond our core assets, we will selectively unlock value from existing infrastructure through targeted diversification, broadening revenue streams while preserving balance sheet strength. We are also mindful of regulatory developments, potential carbon pricing mechanisms and geopolitical shifts that may influence demand patterns and investment flows. Every commitment will therefore be approached with prudence and disciplined capital allocation to safeguard sustainable shareholder returns over the long term.

While 2025 was a challenging year, it reinforced the importance of disciplined governance, operational vigilance and prudent capital management. With resilient infrastructure and growth strategy, as well as a clear focus on safety and reliability, PGB moves forward with resilience. We remain committed to supporting the national energy security while delivering sustainable value to our shareholders.

Chief Financial Officer's Review

Disciplined Execution, Sustained Financial Strength

Shahrul Azham Sukaiman
Chief Financial Officer

Dear Valued Shareholders,

PGB delivered steady financial results as operational performance remained resilient during the year, underpinned by our continuous focus on operational reliability, commercial excellence, disciplined cost-optimisation efforts and capital efficiency initiatives.

Financial Performance

The Group delivered stable financial results for the year, with performance supported by the resilience of the regulated businesses and steady contributions from the Gas Processing and Utilities segments. Revenue in 2025 stood at RM6,373.8 million, a decrease of 2.5 per cent from RM6,538.2 million in 2024. Consequently, profit after tax was lower at RM1,836.5 million in 2025 compared to RM1,923.6 million in 2024 due to tighter margins in both Gas Transportation and Utilities, coupled with higher maintenance and depreciation. This was, however, partly mitigated by the favourable impact of our efforts in driving commercial excellence, cost optimisation and capital efficiency initiatives.

Total assets were higher at RM19,813.7 million, compared to RM18,754.7 million, as a result of an increase in property, plant and equipment, reflecting the outcome of our sustained investments in growth initiatives over the years. While this has led to a reduction in cash balances, we remain in a healthy cash position with sufficient resources to fund operational needs and invest in ongoing growth initiatives.

Our Operating Environment

The operating environment in 2025 was shaped by inflationary pressures, softer gas prices and regulatory developments, such as the electricity tariff adjustments and the expansion in the scope of Sales and Service Tax (SST). While global commodity volatility had a limited impact on the regulated part of PGB's portfolio of businesses, we continued to navigate a challenging operating environment which required us to uphold disciplined operational and commercial excellence efforts. The Utilities segment, meanwhile, experienced margin pressure as the revision of the electricity

Group Revenue

RM6.4 billion

reduced by **2.5%**

2024: RM6.5 billion

Gross Profit

RM2.1 billion

reduced by **5.7%**

2024: RM2.3 billion

EBITDA

RM3.4 billion

increased by **0.6%**

2024: RM3.4 billion

Earnings Per Share

87.3 sen

reduced by **5.9%**

2024: 92.8 sen

Chief Financial Officer's Review

tariff under the new Regulatory Period 4 (RP4) offset the benefit of lower gas prices. The impact of the expanded SST on operating and project costs remained manageable.

Foreign exchange movements had minimal impact on financial performance, with the strengthening Ringgit providing partial cost relief in certain areas of operational expenditure and imported material costs in ongoing growth projects. Against this backdrop, the Group continued to emphasise cost efficiency, reliability and disciplined operational management to navigate external cost pressures while maintaining service availability across its assets.

Segmental Performance

Gas Processing — Gross Profit: **RM867.9** million

The Gas Processing segment delivered revenue of RM1,866.6 million and gross profit of RM867.9 million, supported by high plant reliability and continued optimisation of internal gas consumption. Digital tools and predictive analytics enhanced existing preventive maintenance practices, reducing equipment failure risk and ensured uninterrupted operations. This helped us obtain the maximum amount of incentives under the Performance Based Scheme. The segment also adapted efficiently to changes in feed gas composition, demonstrating operational agility while maintaining Product Delivery Reliability.

Gas Transportation — Gross Profit: **RM414.5** million

Despite the Putra Heights incident, we were able to minimise impact through our swift action to ensure continuity of gas supply. Revenue stood at RM1,130.3 million, while gross profit of RM414.5 million, reflected higher operating expenditure arising from costs incurred for gas supply restoration works and higher levels of maintenance activities. Operationally, activities were reprioritised to stabilise the affected pipeline corridor without compromising the reliability of our entire operations.

Regasification — Gross Profit: **RM607.6** million

The Regasification segment recorded revenue of RM1,378.5 million and profit of RM607.6 million, underpinned by sustained asset availability. Both regasification terminals operated reliably throughout the year, with asset life studies undertaken where appropriate to support long-term equipment performance. Operational parameters remained stable and the segment continued to meet all shipper requirements without disruption.

Utilities — Gross Profit: **RM257.6** million

The Utilities segment registered revenue of RM1,998.3 million and profit of RM257.6 million, with margins moderated by the combined impact of the lower Malaysia Reference Price and the revised RP4 electricity tariff. Capacity utilisation remained high, with most available output contracted to customers. The segment also undertook opportunistic sales to the grid under the New Enhanced Dispatch Arrangement when market conditions were favourable. In addition, the Group concluded a one-off settlement with a customer in relation to an electricity supply agreement dispute.

Preserving Financial Health

The Group continued to uphold prudent financial management throughout the year, maintaining a disciplined approach to managing costs, capital structure and liquidity. Cost optimisation remained a priority, supported by ongoing digitalisation and risk-based maintenance practices across major facilities. For example, we utilised predictive analytics at the Gas Processing and Utilities Technical Centre, which facilitates early detection of potential plant and equipment issues to avoid unplanned outages.

In 2025, total capital expenditure amounted to approximately RM2.4 billion, the highest level in the past decade, with investments directed to new growth and diversification portfolio, as well as plant and pipeline rejuvenation. This reflects our commitment to sustaining returns to shareholders over the long term.

The Group also progressed with the internal reorganisation of its core businesses into separate legal entities for Gas Transportation, Gas Processing and Utilities. This business restructuring enhances transparency in capital allocation and risk management by aligning each business with its respective regulatory and commercial environment. The government's approval of tax exemptions associated with land title transfers was a key milestone, allowing us to proceed with asset transfers without incurring significant tax exposure. The transition to the new structure is ongoing and is expected to be completed by the end of 2026.

Capital and cash management practices remained consistent with prior years, as we retained a healthy liquidity position and a conservative gearing profile. Gearing stood at 9.4 per cent. Fund investment activities continued to be centrally managed efficiently under established PETRONAS Group Treasury parameters. In addition, we secured a lower average refinancing rate for one of the joint venture companies, Kimanis Power Sdn. Bhd. *Sukuk* programme, as we capitalised on favourable market conditions to obtain a lower blended profit rate and a more optimised repayment profile. The refinancing initiative also enhances financial flexibility to support future growth opportunities. These measures, together with a stable operating cash flow base, ensured sufficient financial flexibility to support both ongoing operational needs and future growth.

Financial Risk Management

The Group continued to manage its financial risks through established governance frameworks and controls that address exposure to market conditions, counterparty credit quality and liquidity needs. These practices remained broadly consistent with prior years, with refinements introduced in response to developments during 2025.

Market Risk

This continued to stem mainly from movements in foreign exchange rates and fluctuations in gas prices. The impact of foreign currency exposure was moderated by the strengthening Ringgit during the year, which reduced the cost of imported materials for growth projects and operations. The Group also monitored changes in electricity tariffs following the implementation of the revised RP4 structure, including adjustments under the Automatic Fuel Adjustment mechanism, due to their impact on the Utilities segment.

Credit Risk

The Group maintained its established processes for assessing customer creditworthiness, setting credit limits and securing collateral where appropriate. These measures supported the Group's ability to accommodate new customers arising from ongoing projects and contractual arrangements.

For existing customers, the Group continued to monitor credit exposures through regular reviews and risk assessments, ensuring compliance with established credit limits and maintaining collateral arrangements where applicable. These ongoing measures reinforced the Group's ability to manage credit risk effectively across its customer portfolio.

Liquidity Risk

We manage this risk through disciplined monitoring of cash balances, funding requirements and working capital cycles. Despite the execution of major capital projects and the internal restructuring of business entities, the Group maintained a strong liquidity position with sufficient headroom to meet operational and investment needs. We also leverage revolving credit facilities to support our interim capital requirements. No significant changes were made to the Group's funding approach or treasury management practices during the year.

Chief Financial Officer's Review

Proactive Climate Action

We are proactive in our approach to sustainability and climate action, viewing it from the lens of driving PGB's value rather than a compliance exercise. In anticipation of upcoming climate-related regulations, the Group continued preparing for the potential introduction of a national carbon tax. To evaluate the financial impact, internal estimates of potential exposure were developed based on the Group's emissions profile across operational and value-chain activities, with the Utilities segment and post-combustion emissions at Gas Processing facilities identified as the areas most likely to be affected. During the year, the Group also reviewed contract structures for new arrangements to allow for potential carbon cost pass-through as part of our readiness efforts.

At the policy level, the Group continued engaging with the relevant ministries to stay aligned with regulatory developments, noting that implementation timelines and mechanisms are still being reviewed by the government. To ensure a smooth transition, we have established a dedicated team to monitor regulatory developments related to carbon pricing and support the Group's broader readiness efforts.

Outlook

Looking ahead, the Gas Transportation and Regasification segments are expected to sustain their positive contributions following the approval of revised tariffs under the Regulatory Period 3. Growth projects scheduled to reach commercial operation during the year are expected to contribute additional earnings, although the full-year impact will depend on their commissioning timelines. Contributions from joint venture power projects will continue to be stable, reflecting sustained operational excellence and commercial excellence initiatives.

To ensure long-term business sustainability, we will continue exploring various avenues for fundraising for growth projects, drive capital efficiency and reduce foreign exchange exposure, such as the prepayment for jetty fees at the Pengerang LNG2 regasification terminal.

Key financial risks in the coming year are expected to remain consistent with 2025, including exposure to movements in gas prices, electricity tariff adjustments and the broader effects of service tax expansion and foreign exchange rates. The potential introduction of a national carbon tax represents an additional risk, with its timing and eventual structure subject to the government's decision.

The Group remains committed to ensuring safe, reliable and efficient operations underpinned by prudent cost discipline, operational excellence, as well as sustainable growth opportunities that deliver value for all stakeholders. Our stable business model, healthy liquidity position and ongoing investments in operational reliability provide the foundation to deliver sustainable financial returns, while navigating an evolving regulatory and operating landscape.

Our Operating Environment

PGB operates within a complex and evolving energy landscape shaped by regulatory developments, stakeholder expectations and the ongoing energy transition. These are external factors that PGB continues to monitor diligently to ensure sustained value creation and operational resilience.

However, we also need to acknowledge that 2025 was not an ordinary year for PGB, following the Putra Heights incident that has intensified regulatory focus and increased public awareness of our operations and assets. In response, PGB continued to prioritise proactive risk assessment across our network and ensured greater vigilance, in line with our principle that managing risk is everyone's responsibility.

The key trends and market developments below were identified to have influenced the operating environment in 2025 and will continue to have an impact over the short- to medium-term.

We actively monitor the evolving energy landscape to ensure our approach and strategies remain relevant and impactful. These external factors are carefully considered when identifying, reviewing and refining our operational input. This helps PGB to sustain its operational resilience in line with our strategy to be the leading gas infrastructure and utilities company.

Malaysia's National Energy Policy (NEP) 2022-2040 and National Energy Transition Roadmap (NETR)

Insights

Malaysia's energy transition agenda continued to advance through the NEP and NETR. Both policies reaffirm the role of natural gas as a destination fuel while accelerating the shift towards a lower-carbon future. The policy direction calls for greater renewable energy integration, improvements in energy efficiency and the modernisation of critical energy infrastructure. Rising electricity demand from data centres and new industrial loads also underscores the need for reliable gas-based capacity to stabilise supply as the renewable mix grows.

Impact

- The rising demand for regasification and transmission services as natural gas continues to support grid stability and baseload requirements
- Need to ensure cost competitiveness in delivering our services as we balance affordability with energy security
- Heightened focus on reducing overall carbon emissions to support the energy transition

How We Respond

- Enhancing the reliability of pipelines, processing systems and regasification facilities while upgrading ageing infrastructure
- Engaging regulators and policymakers to understand projected supply and demand patterns
- Continuing efforts such as improving energy efficiency and gaining deeper insights into our emissions profile
- Continue exploring new offerings for data centres that go beyond our core business, such as fibre optic infrastructure and cold energy

Outlook

Natural gas is expected to retain its role in supporting Malaysia's transition as renewable energy penetration rises and demand from data centres and industrial clusters grows. Our priority is to maintain efficient and reliable gas delivery while building capabilities that support a lower-carbon future. We will continue to assess opportunities in integrated energy solutions and carbon management to remain aligned with the country's transition objectives.

Our Operating Environment

Sustainability Regulations and Disclosures

Insights

Malaysia's sustainability regulatory landscape continues to evolve through the National Climate Change Policy 2.0 and the National Sustainability Reporting Framework, which address the International Financial Reporting Standards (IFRS) S1 and S2 requirements. These frameworks expand reporting expectations and require companies to demonstrate clearer links between sustainability performance and financial outcomes. Parallel to this, the government is progressing the National Climate Change Act and the National Carbon Market Policy. Both are expected to define future obligations on carbon governance, pricing and accountability. The announcement of the carbon tax introduction in 2026 will reinforce the need for companies to assess cost exposure and integrate climate considerations into business planning. As global and domestic expectations rise, investors and financial institutions increasingly prioritise credible disclosures and evidence of transition readiness.

Impact

- Broader and more detailed disclosure requirements under IFRS S1 and S2 and future standards such as IFRS S3 and S4 increase expectations for transparent reporting and addressing investor needs
- Potential carbon tax exposure may influence operating costs and project viability, reinforcing the need for structured carbon management
- The proposed National Climate Change Act and National Carbon Market Policy may shape future obligations for emissions monitoring, data reliability and internal governance
- Heightened sustainability expectations from financial institutions may affect access to capital for companies that are not prepared for transition requirements

How We Respond

- Conducting IFRS implementation and gap assessments to ensure readiness for S1 and S2, as well as future standards
- Addressing all IFRS S2 disclosures and enhancing internal capabilities for climate governance and risk evaluation
- Establishing a Carbon Tax Readiness Taskforce and engaging with regulators and stakeholders to understand policy direction and assess potential cost exposure
- Engaging with the Ministry of Natural Resources and Environmental Sustainability to prepare for the carbon tax implementation and strengthen our data and reporting systems

Outlook

We will continue addressing S1 disclosure requirements and preparing for reasonable assurance in line with regulatory timelines. Readiness for carbon tax deployment will remain a priority as carbon pricing mechanisms take shape. We will continue to monitor emerging requirements under the National Climate Change Act and National Carbon Market Policy to ensure that our governance structures, reporting processes and business planning remain aligned with future obligations.

Malaysia's Macro Economic Environment

Insights

Malaysia's economy expanded in 2025 by 5.2 per cent, slightly higher than the 5.1 per cent recorded in 2024, supported by robust domestic demand. Inflation stayed contained and relatively stable throughout the year, reducing the risk of broad-based cost shocks. In parallel, businesses had to navigate ongoing economic reforms, such as the expansion of the Sales and Service Tax (SST) scope, subsidy rationalisation and revised electricity tariffs under the Regulatory Period 4. Against this backdrop of a clearer economic direction and improved investor sentiment, the Ringgit strengthened significantly during the year, emerging as the top performing Asian currency in 2025.

Impact

- Inflation could impact consumer demand, which may moderate industrial activity and downstream gas consumption
- Tax scope changes, tariff adjustments and subsidy rationalisation can alter cost structures
- Currency fluctuations may affect cash flows and capital project costs through transaction exposure and create translation effects on foreign currency-denominated assets and liabilities

How We Respond

- Maintaining cost discipline, optimisation and reviewing operations to manage cost variability, while focusing on operational reliability
- Managing foreign exchange by aligning foreign currency inflows and outflows where feasible and applying hedging strategies where exposure is material

Outlook

Malaysia's growth trajectory in the near term is likely to stay anchored by domestic demand and investment, with economic growth forecast at between 4.0 per cent to 4.5 per cent in 2026. Inflation conditions are expected to be manageable, although cost pressures could still impact the cost of goods and services. In addition, ongoing economic reforms, including the potential introduction of a carbon tax in 2026, will require continued monitoring. While the stronger Ringgit in 2025 provided some upside, foreign exchange volatility can still resurface. In this environment, PGB will stay focused on operational reliability and cost optimisation, including targeted use of technology, while maintaining prudent treasury and hedging practices to manage cost variability and protect delivery and growth outcomes.

Engaging Our Stakeholders

We engage regularly with key stakeholder groups to understand their priorities and how our activities affect them. Insights from these engagements inform strategic planning, risk management and operational decisions, ensuring that the Group's actions remain aligned with stakeholder expectations and long-term value creation.

Through various engagement channels, we communicate our performance, strategic priorities and sustainability commitments while gathering feedback that helps refine our approach to governance, operations and investment decisions. This process strengthens accountability and supports integrated thinking across the organisation, enabling management to balance stakeholder interests while advancing sustainable value creation.

The table below outlines our key stakeholder groups, the primary engagement channels and the frequency of these interactions.

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

Investors and Funding Institutions

Why We Engage	What We Offer
• Enhance financing and capital market opportunities • Maintain share liquidity • Foster open communication with investors for informed investment decisions • Uphold transparency with shareholders and the investment community	• A stable investment profile with steady share price performance and low volatility • Alignment between business activities and strategic goals • Integration of sustainability and governance into business practices • Ability to sustain attractive shareholder returns
Key Concerns	**Our Response**
• Emerging risks due to adjacent developments • Progress on growth initiatives • Evolving sustainability practices and disclosure requirements • Stability of shareholder returns • Changing investor focus from oil and gas sectors due to environmental concerns	• Efficient and productive communication with local authorities in addressing emerging risks • Clear and timely disclosures on strategies and growth initiatives • Quarterly results announcements and analyst briefings • Consistent stakeholder engagement • Prompt response to shareholder queries • Highlights of performance and initiatives through reports, presentations and website
Channel and Frequency of Engagement	A One-on-one meetings A Emails/Letters/Surveys Q Analyst briefings Q Website (for analyst briefings only) Y Site visits Y Annual General Meeting

Customers

Why We Engage	What We Offer
• Present superior offerings that reflect operational and commercial excellence • Retain and extend contracts • Secure new business opportunities • Foster and maintain good business relationships	• Reliable product delivery at a competitive cost • Quality-assured product offerings • Commitment to Product Delivery Reliability (PDR) and conformance to specifications
Key Concerns	**Our Response**
• Timely delivery of high quality products and services • Competitive product offerings	• Strengthened integration across the value chain to enhance reliability and ensure PDR • Expanded customer-focused solutions for both product offerings and pricing • Boosted customer interactions through consistent engagements and visits • Enhanced marketing efforts and outreach initiatives
Channel and Frequency of Engagement	W One-on-one meetings Y Annual customer experience survey Y Industry conferences, forums and events Q Customer visits

Business Partners, Suppliers and Vendors

Why We Engage	What We Offer
• Foster resilient partnerships through communication and collaborations • Preserve delivery of goods and services aligned with PGB's values	• Collaborations through joint initiatives for mutual benefits • Opportunities and partnerships to support the growth of suppliers' businesses
Key Concerns	**Our Response**
• Environmental, Social and Governance regulations and requirements from existing and potential partners • Fairness and efficiency in business transactions	• Foster strategic alignment with existing and potential partners • Leveraged procurement and financial services' policies and procedures to promote efficiency and transparency • Strengthened engagements to maintain a reliable supply chain
Channel and Frequency of Engagement	W One-on-one meetings Y Strategic dialogue, conferences, forums and events Y Contractor engagements and clinics W Toolbox sessions W HSSE contractor improvement programme Q Project sponsor meetings

Engaging Our Stakeholders

Employees and Unions

Why We Engage	What We Offer
• Foster a positive ecosystem and encourage employees' contribution to business strategies and goals • Identify skill gaps to nurture future talent • Inspire collaboration between employees and management • Maintain positive relationships with union representatives to ensure industrial harmony	• 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
Key Concerns	**Our Response**
• Employees' physical and mental well-being • Inclusive and conducive working environment • Skills development and capability building • Sustaining industrial harmony	• 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 a seamless Human Resources policy to understand and conclude negotiations on collective agreement • Enhanced employee engagement with 22 activities and programmes in 2025 to foster a conducive work environment and culture
Channel and Frequency of Engagement	M Engagement with employees M Intranet and Internet newsletters Q Union engagements and activities

Government Agencies and Authorities

Why We Engage	What We Offer
• Promote our support and contribution for government initiatives (e.g. NETR, NCCP 2.0, NSRF, CCUS Bill) • Serve as a partner in shaping the gas and power industry's direction in Malaysia	• Extensive gas delivery network across Peninsular Malaysia • Lower-carbon natural gas power plant • Safe, efficient and reliable operations across all facilities • Upholding licences in core regulated businesses, such as pipeline and regasification terminals • Understanding of the latest requirements and regulations
Key Concerns	**Our Response**
• Gas supply security and reliability • Economic impacts on consumers • Regulatory, and Environmental, Social and Governance compliance • Operational health, safety and environment impacts • Integrity and ethics business conduct • Timely public sustainability disclosures (e.g. IFRS S1 and S2, TNFD)	• Formal and informal engagements • Joint emergency response exercises • Familiarisation visits to PGB facilities • Monthly newsletter to government agencies
Channel and Frequency of Engagement	Q Engagement programmes M Consultative sessions

Communities and Non-Governmental Organisations

Why We Engage	What We Offer
• Provide the latest developments of PGB's business and operations-related matters • Maintain a positive corporate image	• Educational and social support initiatives • Environmental protection and biodiversity conservation
Key Concerns	**Our Response**
• Health and safety impact of operations on surrounding areas • Access to education and social support • Protection of the environment and biodiversity	• Enhancement of safety awareness programmes and engagements, including emergency drills with communities surrounding the ROW i.e., Awareness and Action Programme • Social impact initiatives focused on education (Powering Knowledge), community well-being (Uplifting Lives) and the environment (Planting Tomorrow) • Sponsorships and donations for targeted beneficiaries and underserved communities across locations where PGB operates • Community outreach and engagement activities with surrounding communities adjacent to our assets
Channel and Frequency of Engagement	M Newsletters M Progress meetings A Email correspondence and texts

Media

Why We Engage	What We Offer
• 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	• Transparent sharing of information • Regular interaction with PGB spokespersons
Key Concerns	**Our Response**
• Business performance • Environmental management and other sustainability performance • New innovation and technology development	• Open and transparent engagement with the media • Timely responses to media enquiries • Activities to share updates and maintain positive rapport
Channel and Frequency of Engagement	Y Press releases on key business updates Q Press releases on quarterly performance Q Engagements with the media

Determining Our Material Matters

Materiality Determination

Our sustainability material matters guide how we uphold excellence in operations and management, support long-term business growth and strengthen our key performance indicator results. We generally review our materiality assessment every two years to identify the sustainability topics that are most significant to our business and stakeholders.

In 2025, we conducted a comprehensive materiality assessment, gathering insights from internal and external stakeholders through an online survey. The exercise offered a holistic view of our business context, external expectations and enterprise-level risks, providing a more robust evaluation compared to the proxy-based approach used in 2023. Moving forward, we plan to conduct double materiality assessments to evaluate sustainability matters through both impact and financial lenses. The process will enable us to gradually quantify the financial impacts of our material matters and enhance informed decision-making, capital allocation and risk management, while maintaining a clear focus on business continuity, energy security and shareholder returns.

1 Identification

Material matters are identified through a gathering of internal and external feedback and comprehensive research to identify the list of sustainability topics.

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.

2 Prioritisation

Material matters are prioritised based on the outcomes of the online survey among key external and internal stakeholders, particularly members of the Leadership Team (LT) and the Board. The rankings of the material matters are plotted on a Material Matters Matrix to reflect their significance to PGB and its stakeholders.

3 Validation

The prioritised list of material matters is reviewed by the sustainability governance platforms and subsequently submitted to the Board for endorsement.

4 Continuous Monitoring and Risk Assessment

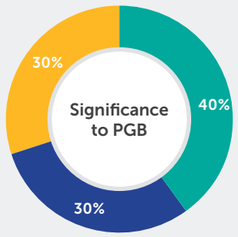
Once integrated into our strategy, the performance and risk elements related to each material matter are continuously monitored and benchmarked through key performance indicators and focus areas cascaded from the LT.

The PGB Board provides leadership and oversight to ensure that PGB's operations uphold sustainability, integrity and compliance with applicable laws, rules and regulations. As the highest governance body, the Board is responsible for identifying, evaluating, monitoring and managing economic, environmental and social (EES) risks and opportunities. This includes considering EES factors in its quarterly meetings and being accountable for PGB's sustainability goals and targets through setting sustainability strategies and priorities.

Survey Inputs from PGB's Key External Stakeholders
21 Stakeholders, across all **7** categories + **150** Employees

Benchmarking with Sustainability Reporting Standards
4 Standards

Benchmarking with Industry Peers
7 Peers



Survey Inputs from PGB's Key Internal Stakeholders
6 Board Members, **10** Leadership Team Members

Alignment with Enterprise Risk Profile (ERP)
PGB ERP Principal Risks

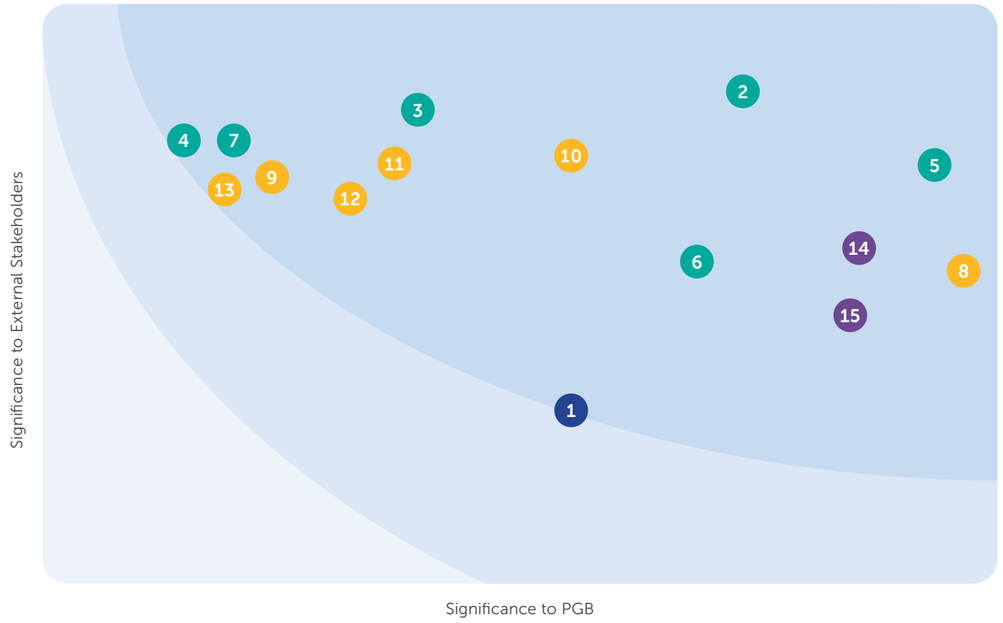
Alignment with PETRONAS
PETRONAS' Material Topics

Note:
The seven categories of stakeholders are Investors and Funding Institutions, Customers; Business Partners; Suppliers and Vendors; Employees and Unions; Government Agencies and Authorities; Communities and Non-Governmental Organisations and the Media.

The materiality matrix was developed using weighted inputs that considered both stakeholder perspectives and organisational significance. The process incorporated benchmarking against industry peers and recognised sustainability reporting standards, as well as survey responses gathered from seven stakeholder groups. We further assessed organisational significance by aligning the material matters with PETRONAS' material topics, ERP principal risks and inputs from the Leadership Team and the Board.

The assessment confirmed that the material topics identified in 2023 remain relevant and continue to represent significant operational exposures and stakeholder priorities for PGB. The updated matrix reflects the revised positioning of the material topics following the assessment.

Outcome from the Comprehensive Materiality Assessment



Economic
1 Sustainable Value Creation

Environment
2 Climate Change Management
3 Energy Management
4 Water Management
5 Waste Management
6 Pollution Management
7 Biodiversity Management

Social
8 Occupational Safety and Health
9 Talent Management
10 Human Rights
11 Sustainable Supply Chain
12 Equal Opportunity, Diversity and Inclusion
13 Community Engagement

Governance
14 Business Ethics and Transparency
15 Cybersecurity and Data Privacy

Determining Our Material Matters

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.

Sustainable Value Creation

Risks

- Challenges in securing and delivering growth projects effectively
- Unsustainable profitability from non-regulated businesses
- Challenges in achieving fair tariffs for regulated businesses

Opportunities

- Explore growth opportunities in core and adjacent domains
- Expand into non-regulated businesses
- Explore low-carbon and green opportunities beyond traditional gas and utilities businesses

Energy Management

Risks

- Inefficient energy use

Opportunities

- Enhance operational energy efficiency across facilities and processes
- Deploy energy optimisation projects (e.g. waste-to-energy, energy recovery)

Climate Change Management

Risks

- Continuous emissions from combustion, flaring and venting
- Failure to adapt to climate change (transition or physical risks)

Opportunities

- Implement renewable energy solutions
- Utilise carbon abatement technologies
- Venture into carbon credit trading and the carbon market to address carbon mechanisms
- Leverage the outcome from the physical risk assessment to ensure resilient infrastructure and adaptation solutions
- Address potential issues arising from new requirements or regulations issued by authorities
- Execute PGB's Net Zero Carbon Emissions by 2050 Pathway

Waste Management

Risks

- Risk of environmental law or regulation breaches
- Reputational and operational damage from non-compliance

Opportunities

- Improve the performance of facilities and processes
- Ensure strict compliance with environmental regulations and licensing requirements
- Promote circular economy through 4R (Recover, Recycle, Reuse and Reduce) initiatives
- Demonstrate product stewardship
- Execute PGB's Waste Roadmap

Water Management

Risks

- Risk of regulatory fines or penalties for non-compliance
- Negative impacts on waterway due to overuse of water resources

Opportunities

- Implement water conservation initiatives
- Uphold effective wastewater management practices
- Execute PGB's Water Roadmap

Biodiversity Management

Risks

- Irreversible damage to natural habitats
- Legal and reputational impacts from biodiversity and ecological incidents

Opportunities

- Conduct biodiversity and ecological risk assessments for all new projects, facilities and processes
- Avoid or minimise impact on protected areas, key biodiversity areas and UNESCO World Heritage Sites
- Implement Biodiversity Action Plan (BAP) for new operations and projects to achieve a Net Positive Impact on nature and biodiversity

Pollution Management

Risks

- Risk of environmental law or regulatory breaches
- Reputational and operational damage from non-compliance

Opportunities

- Upgrade the performance of facilities and processes
- Ensure strict compliance with environmental regulations and licensing requirements
- Ensure air and water quality for surrounding communities through responsible operations

Determining Our Material Matters

Occupational Safety and Health

Risks

- Health, Safety, Security and Environment performance issues or incidents, resulting in workplace harm, operational disruption and reputational impact
- Non-compliance with occupational safety and health requirements, leading to prosecution, fines or penalties under relevant legislation

Opportunities

- Foster Health, Safety and Environment (HSE) Generative Culture through employee commitment
- Enforce strict health and safety standards across all projects, facilities and processes
- Conduct HSE assurance for growth and major CAPEX projects

Talent Management

Risks

- Insufficient skilled talent to drive sustainable value creation and growth

Opportunities

- Uphold and improvise structured capability-building and training programmes for core and growth-related skills

Human Rights

Risks

- Risk of unethical hiring practices (e.g. forced labour) in operations, causing reputational damage

Opportunities

- Ensure compliance with ethical hiring and labour practices across all projects, facilities and processes
- Implement PGB's Human Rights Policy

Sustainable Supply Chain

Risks

- Inefficient manpower or resource management in the supply chain
- Reputational damage due to human rights or suppliers' violations

Opportunities

- Encourage supply chain to adopt sustainability practices through the PETRONAS Supplier Support Programme (PSSP)
- Enhance suppliers' capabilities in enhancing sustainability performance

Equal Opportunity, Diversity and Inclusion

Risks

- Low morale and motivation in the workplace due to poor business practices

Opportunities

- Promote progressive workplace practices, ensure equal opportunity and encourage diversity of thought

Community Engagement

Risks

- Failure to deliver on community expectations or commitments
- Negative impacts arising from social media allegations

Opportunities

- Invest consistently in long-term community welfare, education, environmental stewardship and social development initiatives

Business Ethics and Transparency

Risks

- Risk of misconduct, corruption and unethical business practices, leading to reputational damage and potential prosecution or penalties from relevant regulators

Opportunities

- Conduct employee training on corporate values, business ethics and expected conduct
- Uphold and improvise robust governance, transparency and accountability

Cybersecurity and Data Privacy

Risks

- Disruption to business operations and erosion of customer trust due to system failures and data breaches from evolving cybersecurity and data privacy threats

Opportunities

- Foster cybersecurity awareness among personnel through e-learning modules and regular phishing tests
- Adopt advanced threat-protection measures across operations
- Maintain 24/7 network monitoring and centralised security operations

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 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

F Financial

	2024	2025
Equity funding (%)	88.5	**90.6**
Debt funding (%)	11.5	**9.4**
WACC (from Bloomberg) (%)	7.4	**7.2**
Interest gained from investment (RM mil)	123.4	**98.7**
Interest expense paid (RM mil)	102.3	**88.8**
Market capitalisation (RM bil)	35.0	**35.9**

N Natural

	2024	2025
Natural gas processed (MMscfd)	1,977	**1,910**
Freshwater withdrawal (mil m³)	8.0	**7.1**
Land area (hectares)	5,145	**5,203**

M Manufactured

	2024	2025
Plant Overall Equipment Effectiveness (%)	99.6	**99.7**
Peninsular Gas Utilisation (PGU) Reliability (%)	99.9	**99.3**
Sales Gas PGU Product Delivery Reliability (PDR) (%)	100	**99.6**
Utilities PDR (%)	99.1	**98.5**

I Intellectual

- Brand
- Innovation
- Systems and processes

H Human

	2024	2025
Total employees	1,868	**1,829**
Average training days per employee	13.3	**9.1**
Employee cost (RM mil)	552.7	**431.1**
Investment in training per employee (RM '000)	8.7	**5.8**

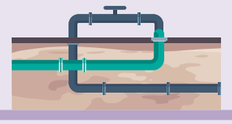
SR Social and Relationship

- Investor and funding institutions
- Customers
- Business partners
- Suppliers and vendors
- Employees and unions
- Government agencies and authorities
- Communities
- Non-governmental organisations
- Media

Business Activities

Our business activities comprise gas processing, gas transportation, regasification and utilities, which use natural resources and other capitals to create products required by our customers.

Core Business	Key Processes
Gas Processing	Natural Gas: Sales Gas, Propane, Butane, Ethane, Condensate
Gas Transportation	Liquefied Natural Gas: Sales Gas
Regasification	Natural gas: Electricity; Water: Steam
Utilities	Air: Nitrogen, Oxygen



Material Matters

- Sustainable Value Creation
- Waste Management
- Talent Management
- Community Engagement
- Climate Change Management
- Pollution Management
- Human Rights Management
- Business Ethics and Transparency
- Energy Management
- Biodiversity Management
- Sustainable Supply Chain
- Cybersecurity and Data Privacy
- Water Management
- Occupational Safety and Health
- Equal Opportunity, Diversity and Inclusion

Operating Environment

- Competitive Market
- Macro-Economic Conditions
- Incentive-Based Regulations
- Evolving Sustainability Requirements
- Volatility of Gas Prices

Output/Outcome

F Financial

	2024	2025
Operating profit (RM bil)	2.3	**2.2**
Cash from operating activities (RM bil)	3.2	**3.1**
EBITDA (RM bil)	3.4	**3.4**
Earnings per share (sen)	92.8	**87.3**
Dividend per share (sen)	72.0	**72.0**

N Natural

	2023	2024	2025
Greenhouse gas emissions (tCO_2e):			
Scope 1		6,074,946	**5,475,205**
Scope 2		51,319	**73,305**
Scope 3 (Categories 6 and 7)	1,467,364	1,445,976	**-**
Energy intensity ratio		93.3	**91.8**
Waste generated (MT)		2,505	**6,589**
Waste recycled (MT)		1,799	**5,067**

M Manufactured

	2024	2025
Sales gas delivered (MMscfd)	2,455	**2,161**
Ethane delivered (MT/hr)	133	**133**
Electricity delivered (GWh)	1,680	**1,736**
Steam delivered (kMT)	4,499	**4,850**
Industrial gases delivered (mil Nm³)	696	**640**

I Intellectual

	2024	2025
• Key result areas (KRAs) (G5dot5) Number of KRAs	60	**40**
• Value creation (RM mil)	131.2	**260.2**

- Primary Work Process compliance sustained above 70%
- Zero non-conformance to requirements
- Zero major improvement needed audit rating
- 50%+ effectiveness in Management System Review processes
- Enhanced project governance and delivery to cater for power and step-out projects via the PGB Project Management System
- Multiple awards received on the Health, Safety, Security and Environment (HSSE), and innovation fronts

H Human

	2024	2025
Total employees	1,868	**1,829** Achieved 98% manning strength
Average training days per employee	13.3	**9.1** Reduced by 31.6%
Employee cost (RM mil)	552.7	**431.1** Reduced by 22%
Investment in training per employee (RM '000)	8.7	**5.8** Reduced by 33.3%

SR Social and Relationship

- PETRONAS Vendor Development Programme
- Safety toolbox talk sessions with contractors
- Approval of New Collective Agreement (2025-2027)
- PETRONAS Powering Knowledge Programme
- PETRONAS Uplifting Lives Programme
- PETRONAS Planting Tomorrow Programme
- Contractor HSSE Mentoring and Coaching Programme

Actions to Enhance Outcomes

F
- Leverage advanced technologies and innovative solutions to optimise unit costs and operating expenditures
- Enhance financial capital efficiency
- Uphold commercial excellence by ensuring timely contract renewals while maintaining proactive engagement with regulators to secure mutually beneficial terms for long-term agreements
- Deliver sustainable shareholder returns aligned with prevailing industry benchmarks
- Implement robust hedging strategies to effectively mitigate foreign exchange exposure risks

N
- Strengthen resource management in monitoring energy, water and materials use
- Invest in technologies that enhance energy efficiency to reduce environmental impact
- Set and pursue annual targets for reducing emissions and waste disposal
- Implement initiatives that support compliance with clean air and environmental regulations

M
- Strengthen asset performance through planned maintenance and operational improvements
- Advance initiatives under the PGB Strategic Agenda to sustain operational excellence and support business growth
- Use digital solutions to meet operational needs and improve efficiency through current technologies

I
- Enhance work processes to improve accuracy, quality and productivity
- Strengthen oversight of project variations through a dedicated committee
- Continue improving work processes to raise efficiency and consistency
- Apply a performance- and risk-based approach to assurance activities across all operating units

H
- Build workforce capabilities through targeted programmes that enhance leadership and technical competencies
- Promote continuous learning through workshops, digital learning platforms and on-the-job development
- Develop emerging skills that support the delivery of current and future growth projects

SR
- Engage stakeholders proactively to strengthen understanding of PGB's role and contributions
- Promote natural gas as a cleaner energy option within the wider energy transition
- Reinforce PGB's position as a trusted supplier and infrastructure partner by highlighting operational capabilities
- Deliver integrated and customer-focused solutions to enhance competitiveness in the region.
- Collaborate effectively via continuous engagement with employee unions to strengthen trust, enhance transparency and proactively address workplace concerns
- Support national initiatives and collaborate with ministries, authorities and local councils on sustainability efforts
- Partner with non-governmental organisations to broaden outreach and improve programme impact

Trade Offs

F By strategically allocating financial capital to maintain and upgrade our gas infrastructure, we aim to uphold operational excellence and deliver sustainable value across our manufactured, human, intellectual and social and relationship capitals. This, however, may increase pressure on natural capital within the regulatory boundary due to land use, emissions and the need for prudent management of financial resources to balance short-term liquidity with long-term growth.

N Operational activities draw on natural resources and generate emissions and waste. By integrating stronger environmental management practices and investments in efficiency improvements, we reduce long-term ecological impact while reinforcing organisational resilience and stakeholder confidence.

M Short-term resource allocation is required to sustain and enhance asset performance. These investments support long-term system reliability, reduce operational disruptions and reinforce value creation across financial, human and social and relationship capitals.

I Enhancing systems, processes and project governance requires upfront investment and may reduce near-term financial flexibility. The long-term outcome is improved process integrity, stronger risk management and more reliable decision-making across the Group.

H Investing in learning, capability development and workforce initiatives requires continuous resource allocation. Over time, this strengthens organisational competence, enhances productivity and supports sustained operational and project performance.

SR Ongoing engagement with stakeholders requires sustained commitment. To this end, our dedicated stakeholder management team builds trust, strengthens our license to operate and supports long-term collaboration that enhances financial, operational and reputational outcomes.

Our Strategic Agenda

Introduced in early 2023, the PGB Strategic Agenda remains the Group's central roadmap for near- to medium-term progress. In 2025, it continued to anchor operational excellence and guide efforts to deliver sustained value while supporting organisational resilience.

The agenda enables PGB to continue strengthening its core business while deliberately channelling capital into selective step-out and green opportunities that enhance future readiness. This approach is supported by disciplined portfolio management, ensuring capital is deployed responsibly to balance near-term performance with long-term sustainability and growth.

Its focus areas of Health, Safety, Security and Environment (HSSE), sustainability, digitalisation, systems and people are underpinned by defined Key Performance Indicators that shape targeted actions across the organisation. These measures support cost efficiency, strengthen profitability and help PGB maintain high standards of safety, reliability and performance in a changing energy environment.

Our Aspiration **A Leading Gas Infrastructure and Utilities Company**

Our WINNING FORMULA

2030

Our Ambitions and Tactical Themes

Deliver high-impact growth projects	Deliver projects safely within budget, time frame and quality	Deliver top performance in key operating metrics
• Effective portfolio management • Excellent customer-centric solutions	• Competitive project strategy and solutions • Flawless project delivery execution	• Sustain world-class plant performance • Optimise cost and 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.

PGB Winning Formula

PGB's Winning Formula centres on four strategic pillars: **Growth, Commercial Excellence, Project Excellence** and **Operational Excellence**. These pillars guide how we respond to evolving industry dynamics and support the Group's continued resilience and relevance.

Five enablers, **HSSE, Sustainability, Digital, Systems** and **People**, are embedded across all operations. They reinforce execution discipline and support steady progress towards the PGB Strategic Agenda.

PGB Strategic Goals

PGB continues to advance its strategic goals under the four pillars. **Growth** and **Commercial Excellence** focus on initiatives that create sustainable value and support a balanced portfolio in a changing energy environment. Under **Project Excellence**, we remain committed to delivering projects on schedule, within cost parameters and to required quality and safety standards. **Operational Excellence** is guided by five performance targets that support efficiency, reliability and cost competitiveness.

These goals are underpinned by the same core enablers, HSSE, Sustainability, Digital, Systems and People, which remain integral to execution across the organisation.

Achieve top performance in OEE

Overall Equipment Effectiveness (OEE) measures plant performance against its potential by identifying efficiency gaps within operations. It evaluates how effectively equipment is utilised during available time.

PGB has maintained strong OEE performance since 2019, reflecting consistent delivery against customer expectations. Reliable plant performance supports our role as a supplier and enables us to maximise incentives under long-term arrangements.

Achieve top performance in unit cost efficiency

Unit cost represents the cost to produce one unit of output. It is calculated by dividing total production cost by the number of units produced. Monitoring unit cost is essential for assessing efficiency, benchmarking performance and identifying opportunities for savings.

Maintaining top-tier performance in unit cost helps ensure PGB remains competitive relative to industry peers.

Achieve top performance in Energy Intensity Ratio

The Energy Intensity Ratio quantifies energy performance by comparing actual energy intensity against a defined baseline. It measures how efficiently energy is consumed to produce products or deliver services.

Through operational optimisation, timely maintenance programmes and technology deployment, PGB continues to enhance energy performance while supporting sustainability outcomes.

Achieve top quartile ESG ratings

Environmental, Social and Governance (ESG) ratings evaluate an organisation's ESG practices. Investors and stakeholders use these ratings to assess sustainability performance and associated risks.

Rating providers such as FTSE4Good apply various methodologies and data sources to determine company performance. Achieving top quartile ESG ratings signals PGB's commitment to sustainability and responsible governance and reinforces our relevance to shareholders and the market.

Our Strategic Agenda

Cultivate a generative HSSE culture

A generative HSSE culture reflects doing the right thing even when no one is watching. It is supported by four principles:

Ownership: Leaders set the tone and everyone takes responsibility for HSSE, recognising its role in supporting business outcomes.

Mindfulness: HSSE is part of everyday actions because it is the right thing to do, not because oversight is present.

Interdependence: We look out for one another, keeping risks and potential errors in view and recognising that everyone has a role in contributing to HSSE.

Courage: Employees are empowered to intervene when faced with unsafe conditions or behaviours and to accept similar interventions from colleagues.

To achieve the Group's strategic targets, initiatives are organised under three tactical themes:

Growth and Commercial Excellence

- Strengthening portfolio management
- Delivering customer-centric solutions

Project Excellence

- Implementing competitive project strategies and solutions
- Driving disciplined project delivery and execution

Operational Excellence

- Sustaining high plant performance
- Optimising cost and energy efficiency

OUR ENABLERS

HSSE

PGB sustains the commitment to delivering strong HSSE performance while embracing emerging risks and challenges. Attaining a strong HSSE performance is driven by efforts to cultivate a Generative Culture across the organisation.

Sustainability

PGB's Sustainability Agenda is structured around four lenses:

- Sustainable Value Creation
- Safeguard the Environment
- Positive Social Impact
- Responsible Governance

Digital

Three digital priorities support the PGB Strategic Agenda:

1. **Using digital as a catalyst for new ways of working and improved data analysis**
2. **Advancing analytic maturity towards cognitive capabilities**
3. **Positioning digital as an enabler of value creation**

System

PGB's organisational effectiveness is shaped by:

1. **Management system and work processes**
   A structured set of policies, procedures and processes integrated with a continuous improvement cycle
2. **Principle of empowerment**
   Moving decision-making closer to where work is performed to enhance efficiency

People

PGB aims to create a conducive environment where employees are empowered, agile and enabled:

1. **Empowered with the knowledge and tools needed to meet their goals**
2. **Agile with the flexibility to navigate challenges**
3. **Enabled with the resources required to act and deliver outcomes**

Strategic Focus Areas and Key Performance Indicators

OE Operational Excellence				
Strategic Focus Areas	**Key Performance Indicators**	**2025 Initiatives and Results**	**2026 Priorities**	**Medium-Term/ Long-Term**
Health, Safety, Security and Environment (HSSE): Ensuring safe operations at all facilities	• Fatality • Lost Time Injury (LTI) • Major Fire incident • Major Loss of Primary Containment (LOPC) case • Major Security incident	• Zero Fatalities • One LTI • One Major Fire incident • Zero Major LOPC cases • Zero Major Security incident	• Mitigate emerging risk exposure by strengthening oversight of third-party and high-risk work activities • Enhance coordination and communication with relevant authorities to ensure effective preparedness, response and regulatory alignment	• Continue proactive monitoring of high-risk areas and reinforce prevention-focused controls • Strengthen systems that support early detection of unsafe conditions and ensure consistent compliance across operating locations
Operations: Driving efficiencies and maintaining high reliability of asset performance	**Plant reliability and efficiency metrics:** • Energy Intensity Ratio • PGB Overall Equipment Effectiveness (OEE) • PGB Reliability • PGU Product Delivery Reliability (PDR)	• Energy Intensity Ratio: 91.8 • PGB OEE: 99.6% • PGB Reliability: 99.3% • PGU PDR: 99.6%	• Maintain systematic tracking of key operational parameters to uphold efficiency and reliability levels required to meet customer demand	• Strengthen monitoring frameworks to ensure operational stability • Reinforce performance evaluation of key indicators to guide timely corrective actions and support dependable service delivery
Project Delivery: Ensuring project execution meets HSSE targets, timelines, budgets and quality standards in alignment with stakeholder expectations	• 70 per cent Safe OTOBOS (On Time, On Budget, On Scope)	• Projects achieved 88 per cent Safe OTOBOS, exceeding target • Introduced operational readiness requirements in PGB's Project Management System	• Sustain Safe OTOBOS performance by conducting structured risk assessments, strengthening monitoring mechanisms and ensuring early management of HSSE-related concerns • Reinforce adherence to project governance standards	• Build stronger project management capabilities in risk management, stakeholder engagement and integrated planning to support smooth and predictable project delivery
Sustainability: Meeting sustainability disclosure requirements and advancing the agenda to achieve Net Zero Carbon Emissions (NZCE) by 2050	• FTSE4Good rating • Greenhouse Gas (GHG) emissions reduction • International Financial Reporting Standards (IFRS) S2 compliance	• FTSE4Good rating: 4.7 • GHG emissions reduction: 175,778 tonnes CO_2e • Addressed all IFRS S2 requirements	• IFRS S1 compliance • Carbon tax implementation readiness • Prepare for GHG reasonable assurance in 2027	• Ensure compliance with evolving disclosure requirements and prepare for reasonable assurance on emissions data • Continue progressing NZCE 2050 initiatives across short-, medium- and long-term time frames through the execution of carbon reduction, monetisation, storage and offset projects

Strategic Focus Areas and Key Performance Indicators

CE Commercial Excellence

Strategic Focus Areas	Key Performance Indicators	2025 Initiatives and Results	2026 Priorities	Medium-Term/ Long-Term
Retain Business: Ensuring the renewal and extension of current commercial contracts **Capture New Business:** Securing new contracts for existing business	• Achievement of key milestones for commercial contracts, growth projects and opportunities identified	• Completed the settlement of an outstanding electricity supply agreement dispute, with the recovery of RM52 million • Secured an agreement for prepayment of Annual Fixed Charges for the remaining period of Jetty Usage Agreement, minimising future foreign currency exposure • Obtained approval from the Federal Government for the new Regulatory Period 3 tariffs for gas transportation and regasification services, at par with industry benchmark	• Advance commercial development by securing new opportunities in green electricity supply to diversify the Group's energy offering	• Strengthen the Utilities and Industrial Gases portfolio to improve competitiveness and resilience

GR Growth

Strategic Focus Areas	Key Performance Indicators	2025 Initiatives and Results	2026 Priorities	Medium-Term/ Long-Term
High Impact Growth: Focused execution of identified growth opportunities within core business and adjacent value pools	• Achievement of key milestones for identified growth opportunities	• Completed the Pengerang Liquefied Natural Gas (LNG) storage facilities with Commercial Operation Date achieved in August 2025 • Completed and commenced operations of the Kluang Compressor Station • Construction for 100MW Kimanis Peaking Power Plant progressed steadily and remains on track for commercial operations in 2026 • Construction as planned for 52MW Sipitang Power Plant with targeted completion by end of 2026 • Construction continued as planned for Pengerang LNG-driven Air Separation Unit with targeted completion in 2026 • Received Letter of Notification for 120MW Labuan Power Plant and commenced development activities as scheduled • Achieved Final Investment Decision for fibre optic backhaul infrastructure project along PGB's Right-of-Way	• Progress all ongoing projects in accordance with approved schedules and budgets • Advance development activities for the fibre optic backhaul project to support timely readiness and deployment • Maintain structured engagement with stakeholders to support project execution across core and adjacent growth areas	• Continue exploring opportunities in the energy transition and new business domains to reinforce long-term growth prospects

PC People and Culture

Strategic Focus Areas	Key Performance Indicators	2025 Initiatives and Results	2026 Priorities	Medium-Term/ Long-Term
Talent: Consistent implementation of talent development strategies and initiatives	• Fostering a sturdy talent pipeline to ensure a continuous pool of successors and skilled professionals required for core operations and growth	• Aligned manpower requirements with business goals, resulting in 98 per cent manning efficiency • Strengthened PGB succession planning, effective mobility and progression with sufficient qualified talents available for business-critical positions	• Driving capability growth to cultivate best-fit talent aligned with business priorities • Fostering workforce agility by building cross-functional expertise, enabling rapid adaptation to evolving business demands	• Maintain emphasis on developing a talent ecosystem equipped to deliver strategic and operational goals
Culture: Strengthening the culture of accountability	• Organisation Culture Assessment (OCA) results	• Recorded a 96 per cent response rate for the OCA, which helped us identify areas that require further improvements in order to sustain a high-performance culture and desired behaviour	• Reinforce expectations around desired behaviours to support PGB agenda	• Continue to accelerate and strengthen the culture of accountability across the organisation

Risks Linked to Strategy

The operating environment for the energy sector continues to shift, creating a broad set of risks that require structured oversight and timely response. Managing these risks is integral to maintaining safe and reliable operations while advancing our strategic priorities. PGB adopts a disciplined approach that assesses how internal and external developments may influence our business and guide the mitigation measures we put in place.

This section presents the principal risk categories and the actions taken to manage them across the Group.

Health, Safety, Security and Environment (HSSE) Risk

HSSE risk is inherent to the Group's operations due to the nature, scale and geographical spread of its gas infrastructure assets.

This risk is influenced by external factors, such as urban development in proximity to operating assets, as well as internal factors arising from operational, maintenance and project activities which require a high level of discipline and adherence to established procedures.

If materialised, this risk could result in operational disruptions, adverse impacts on communities, environmental harm, regulatory actions and reputational damage, which may, in turn, affect the Group's ability to deliver reliable energy supply and support national energy security.

Risk Movement: Increasing

In 2025, the Putra Heights incident underscored the emergence of new and evolving risk dimensions beyond conventional exposures. In addition, seismic activities affecting multiple districts in Johor were observed, which, while not impacting the Group's operations, underscore the need for continued vigilance and proactive risk monitoring.

In response, the Group undertook materially effective actions to manage the incident's aftermath and ensure continued effective HSSE management and operational resilience.

Impact

Potential operational disruptions arising from safety incidents or environmental non-compliance, which may result in financial penalties and reputational impact.

Mitigation Actions

- Implemented enhanced HSSE controls to mitigate exposure arising from externally related causes, such as underground pipeline assessments to detect pipeline movement and strain.
- Strengthened current response readiness on emergency and business continuity plan.
- Advocacy with relevant stakeholders towards enhanced regulatory and operational support and collaboration.
- Implemented continuous HSSE generative culture initiatives, with compliance monitoring in place.

Opportunities

- Enhance safety control through the adoption of advanced pipeline monitoring technologies.

Links

Strategic Agenda: Enablers (HSSE)

Material Matters:
- Occupational Safety and Health
- Environmental Management

Stakeholder Groups:
- Government Agencies and Authorities
- Communities

Operational Risk

Operational risk for the Group arises from the nature of operating safety-critical, capital-intensive gas and utilities assets that require high levels of reliability and continuous availability aligned with global standards.

This risk stems from internal factors, such as potential failures in people, processes, systems, asset integrity and external events, which could disrupt operations and compromise Malaysia's security of energy supply.

If not effectively managed, operational risk could lead to entire value chain disruption and significant reputational impact, with broader implications for stakeholders and national energy security.

Risk Movement: Increasing

During the year, the anticipated increase in gas demand driven by the growth of data centres necessitated an enhanced focus on the reliability of the Group's asset.

The Putra Heights incident further introduced a new and emerging operational risk, impacting service reliability and pipeline integrity.

In response, PGB continues to implement robust operational, maintenance and reliability measures to mitigate and sustain uninterrupted and reliable operations.

Impact

- Supply disruption impacting Malaysia's energy security.
- Reputational damage and loss of stakeholder trust.
- Value erosion.

Mitigation Actions

- Implemented continuous asset reliability and integrity initiatives, maintenance and inspection programmes.
- Assessed sufficiency of existing assets' capacity to cater to additional gas demand.
- Conducted continuous benchmarking to drive operational improvement.

Opportunities

- Potential growth opportunities to sustain current operational reliability amid anticipated gas demand growth.

Links

Strategic Agenda: Winning Formula (Operational Excellence)

Material Matters:
- Occupational Safety and Health
- Sustainable Value Creation

Stakeholder Groups:
- Government Agencies and Authorities
- Communities
- Customers

Reputational Risk

As a public listed company and an essential gas infrastructure and utilities provider, PGB operates under heightened scrutiny from regulators, investors, customers and communities it serves.

Any event or occurrence that gives rise to adverse perceptions, including HSSE incidents, could result in reputational harm, the erosion of stakeholder confidence and potential challenges in achieving the Group's strategic and business objectives.

Risk Movement: Increasing

During the year, adverse news arising from HSSE-related incidents affecting the Group's assets, including the unprecedented Putra Heights incident, heightened the reputational risk.

This was driven by public safety concerns, perceived infrastructure vulnerabilities and heightened stakeholder expectations for long-term preventive measures.

In response, PGB undertook key actions, including proactive public and stakeholder communications, the issuance of media statements and intensified engagements with affected communities, as part of its ongoing reputation risk management efforts.

Impact

Erosion of stakeholder confidence, increased regulatory scrutiny and heightened public concern, which could affect the Group's licence to operate, investor sentiment and ability to achieve its strategic and business objectives, with broader implications for long-term value creation.

Mitigation Actions

- Executed a three-pronged reputation strategy focusing on:
  - Rebuilding trust through transparency,
  - Reinforcing safety through facts and data, and
  - Fostering collective responsibility among stakeholders.
- Conducted continuous stakeholder engagements programmes for relevant communities surrounding PGB Right-of-Way towards confident coexistence, e.g. Awareness & Action programmes.

Opportunities

- Proactive and transparent management of reputational risk strengthens stakeholder trust, demonstrates strong governance and leadership, enhances the Group's social licence to operate and supports long-term value creation.

Links

Strategic Agenda: All areas of the Strategic Agenda

Material Matters:
- Community Engagement

Stakeholder Groups:
- Government Agencies and Authorities
- Communities
- Media

Climate and Sustainability Risk

The global transition towards a lower-carbon economy, heightened regulatory requirements and evolving stakeholder expectations have been the impetus for the establishment of the Group's Net Zero Carbon Emissions (NZCE) by 2050 Pathway, which requires disciplined execution to achieve its stated targets. Inability to achieve these targets could expose PGB to reputational risk.

In addition, the Group is exposed to both transition and physical risks associated with climate change. Transition risks arising from regulatory changes, carbon pricing mechanisms and decarbonisation expectations may result in higher compliance and capital costs and could impact long-term asset utilisation if not effectively managed. Physical climate risks, such as flooding, prolonged heat and other climate-related disruptions, may affect asset integrity and operational reliability, leading to operational disruptions, increased costs and potential supply interruptions.

Beyond climate, sustainability-related risks also extend to social and governance dimensions, including supply chain practices and transparency in climate-related disclosures.

Failure to effectively manage these risks and stakeholder expectations may adversely affect the Group's long-term value, competitiveness and resilience.

Risk Movement: Increasing

In 2025, the potential introduction of a national carbon tax gained greater prominence following the Malaysia Budget 2026 announcement, particularly for identified industries, including the energy sector in which PGB operates. If materialised, and depending on its mechanics, the Group may be subject to higher operation and compliance costs.

Additionally, the evolution of regulatory requirements and growing disclosure expectations, such as the commencement of mandatory implementation of the National Sustainability Reporting Framework aligned with International Financial Reporting Standards (IFRS) S1 and S2 and enhanced Bursa requirements on sustainability, continue to create business and reputational risk exposure.

Internally, balancing sustainability efforts and evolving business strategy has led to a recalibration of the Group's NZCE by 2050 Pathway, including revisions to short-term targets, resulting in a compressed timeline to achieve the commitment.

PGB continues to deliver the climate and sustainability actions guided by the Sustainability Blueprint, while ensuring carbon tax readiness and IFRS S1 and S2 disclosure compliance to manage these changes.

SR *Note: To be read together with Sustainability Report.*

Impact

- Failure to manage risks and meet the sustainability requirements or expectations could result in potential business disruption, missed business opportunities and reputational impact.
- Any ineffective execution in mitigating carbon tax exposure can result in rising operational costs or profitability impact.

Mitigation Actions

- Executed climate mitigation strategies towards greenhouse gas emissions reduction, e.g. carbon abatement and portfolio greening initiatives, as well as adaption towards physical climate-related risk.
- Executed carbon tax exposure mitigation, e.g. carbon tax assessments to ascertain current tax exposure and the applicable tax owner.
- Executed current disclosure regulatory requirement gap assessment and closure plan.
- Established the PGB Human Rights Policy and continued to monitor and address any potential human rights impact.

Opportunities

- Explore and capture new growth opportunities and revenue stream in carbon capture and storage.

Links

Strategic Agenda: Enablers (Sustainability)

Material Matters:
- All elements
- Climate Change Management

Stakeholder Groups:
- Investors and Funding Institutions
- Media

Risks Linked to Strategy

Legal and Regulatory Risk

PGB's business operations require adherence to a multitude of existing, evolving and emerging regulatory requirements. Any changing regulations require continuous attention to ensure our ability to operate efficiently and competitively.

This includes the five critical legal areas which are Sanction, Competition, Ethics and Integrity, Export Control and Data Privacy, as well as other applicable laws and regulations.

Any breaches of these laws could result in reputational damage and significant financial loss.

Risk Movement: Stable

The risk remained stable in 2025.

However, there were changes involving critical legal areas which are the amendment to the Personal Data Protection (Amendment) Act (effective June 2025) and Anti-Money Laundering Act which falls under ethics and integrity (effective May 2025). In response to the changes, PGB took the relevant actions to ensure compliance in line with PETRONAS compliance programme.

In addition, the potential exposure is being managed through proactive identification of potential risks on any emerging laws and regulatory changes.

Impact

Any non-compliance may result in financial penalties, legal action, reputational damage and the erosion of stakeholder trust.

Mitigation Actions

- Implemented the PETRONAS Legal Compliance Framework, adhering to corporate liability guidelines and aligning with international human rights principles, to strengthen legal and compliance governance.
- Executed the identified anti-bribery and integrity measures, regulatory engagements, legal register updates, continuous compliance communication with relevant internal stakeholders and audit assurance.
- Sustained compliance efforts in ensuring licence to operate, including the execution of our equipment upgrading compliance plan.

Opportunities

- Leverage industry experience to participate in relevant regulatory review activities as part of regulatory shaping activities.

Links

Strategic Agenda:	Material Matters:	Stakeholder Groups:
–	Business Ethics and Transparency	Government Agencies and Authorities Business Partners Suppliers and Vendors Employees and Unions

Project Delivery Risk

The successful delivery of capital-growth and operational reliability sustenance projects, as part of our business growth strategy and effort to maintain asset integrity, remains an important focus.

This could be influenced by factors including supply chain disruptions, change in government policy impacting project cost, contractor performance and limited capable resources.

Ineffective project delivery execution could lead to project delay and higher costs, resulting in value erosion and jeopardising operational sustainability.

Risk Movement: Stable

In 2025, several projects achieved Final Investment Decision, including one non-conventional related project involving fibre optic infrastructure.

However, the exposure remains stable as PGB has undertaken robust mitigation strategies, including adherence to project governance standards and recruited relevant experts to drive project execution excellence, aligned with project Safe On Time On Budget On Scope aspiration.

Impact

Potential financial impact from delays in monetising growth projects and operational disruptions.

Mitigation Actions

- Executed enhanced project oversight and monitoring through relevant project emerging risk or insights (both external and internal threats) for timely project intervention.
- Assessed the impact of the expanded Sales and Service Tax (SST) and concluded that its effect on project costs was manageable.
- Continuously reviewed the of project management team to ensure adequacy of capable resources to drive project excellence.

Opportunities

- N/A

Links

Strategic Agenda:	Material Matters:	Stakeholder Groups:
Winning Formula (Project Excellence)	Sustainable Value Creation	Suppliers and Vendors Employees and Unions Government Agencies and Authorities Communities

Cybersecurity Risk

As PGB continues to increase its digital footprint, the risk of disruption to digital infrastructure and exposure to cyber threats remains significant.

In addition, the rapid evolution of Artificial Intelligence (AI) has contributed to a more sophisticated cyberattacks and cybercrimes, posing significant threats to our systems and operations.

Risk Movement: Stable

In 2025, the risk movement remained stable and no cybersecurity incident was recorded.

Nonetheless, a growing prominence of AI was observed, particularly in the generative AI areas.

In response, we continued to enhance our digital management, cyber resilience and information security, including our joint venture companies.

Impact

Cyberattacks may disrupt our operations, leading to financial losses, reputational damage and lost opportunities.

Mitigation Actions

- Continued to enforce the Enterprise Cyber Security Governance Framework to strengthen cybersecurity oversight.
- Undertook cybersecurity adequacy assessment for our joint venture companies and concluded that they fulfilled its minimum control requirements.

Opportunities

- Leverage AI responsibly to enhance operational efficiency.

Links

Strategic Agenda:	Material Matters:	Stakeholder Groups:
Enablers (Digital)	Cybersecurity and Data Privacy	Government Agencies and Authorities Suppliers and Vendors Communities

Financial and Credit Risk

PGB is primarily exposed to market factors such as foreign exchange policy for dollar-denominated business, movements in gas prices and changes in cost-related policies, such as the electricity tariff adjustments and expansion in the scope of SST.

Additionally, the Utilities segment and regulated business are susceptible to changes in the tariff under the regulatory framework, which could expose PGB to margin pressure depending on the pricing outcomes.

Furthermore, PGB is exposed to counterparty risk of failing to meet contractual payment or financial obligations, which could arise from factors such as deterioration in customer financial health and disputes due to changes in payment terms.

Risk Movement: Stable

In 2025, the impact of foreign currency exposure and gas price was moderated by the strengthening Malaysian Ringgit and stable movement of gas price, respectively, during the year.

However, we continued to experience margin pressure onto the Utilities segment, due to the revision of the electricity tariff under the new Regulatory Period 4. In response, PGB continued to emphasise cost efficiency, reliability and disciplined operational management. We also assessed the impact of the expanded SST and concluded that its effect on operating and project costs was manageable.

Impact

- Potential impact on our revenue and profitability, arising from unfavourable market conditions, impacting our ability to pursue growth opportunities.
- Delay in receivable recovery, impacting revenue certainty.

Mitigation Actions

- Executed hedging strategies for identified foreign exchange currency exposure in project and operational areas.
- Undertook early USD liabilities settlement, resulting in minimal USD exposure, leveraging favourable market condition.
- Conducted credit worthiness assessment of potential counterparties and performed credit reviews and exposure monitoring on existing counterparties.

Opportunities

- Enhance financial resilience and agility to navigate uncertain markets, while continuing to emphasise prudent cost management and operational excellence.

Links

Strategic Agenda:	Material Matters:	Stakeholder Groups:
Winning Formula (Commercial Excellence)	Sustainable Value Creation	Investors and Funding Institutions Business Partners

Business Review

Gas Processing

Shahrul Izan Bakti A Aziz
Chief Operating Officer, Gas Processing and Utilities

Revenue

RM1.87 billion

2024: RM1.87 billion

Gross Profit

RM0.87 billion

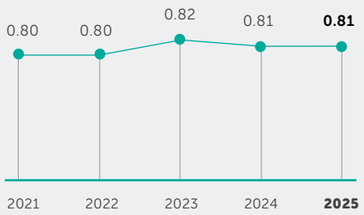
2024: RM0.80 billion

Segment Asset

RM4.72 billion

2024: RM4.44 billion

Sales Gas Recovery Factor



Human Capital

Operational Performance

2025 Operational Metrics	Overall Equipment Effectiveness (OEE)	Product Delivery Reliability (PDR)
Sales Gas	100%	100%
Ethane	99.69%	100%
Propane	99.78%	100%
Butane	99.80%	100%

Performance Against Strategic Key Performance Indicators (KPIs)

Strategic Focus Area	2025 Performance
Health, Safety, Security and Environment (HSSE) Excellence	i. **Zero** Major Health, Safety and Environment (HSE) Incident ii. **Zero** Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to **RM208 million** in value creation* ii. Maximise performance incentive as provided under the Third Term Gas Processing Agreement (GPA) iii. Timely execution and completion of capital expenditure (CAPEX) according to the Third Term GPA
Operational Excellence	i. Gas Processing (GP) PDR at **100 per cent** ii. GP OEE at **>99 per cent** iii. **100 per cent** regulatory compliance iv. Zero recurrence of "High" findings from audit
Strategic and Initiatives and Project Delivery Excellence	i. **100 per cent** completion of value creation initiatives through our business strategy roadmap ii. Cooling Tower Upgrading Project was successfully completed
People Development	i. **100 per cent** capability-based assessment in having the right competency for the operation* ii. **90 per cent** ready successors for Regulations- and Act-related critical positions*

* *Combined assessment for Gas Processing and Utilities*

For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	• Optimised value through innovative, agile and energy-efficient operational strategies, achieving measurable improvements in performance, cost efficiency and sustainability, such as: - Sustained production through agile plant operations during elevated risk conditions - Sustained OEE and reliability at above 99 per cent • Delivered additional value creation of RM208 million through the business strategy roadmap	• Implemented strategies to maximise Performance Based Scheme incentives with a focus on continuous improvement	• Continued to pursue strategic business opportunities aligned with the sustainability agenda for gas processing plants

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSSE	High number of projects, turnaround and site activities resulted in heightened exposure to HSSE risks	Established the Gas Processing and Utilities HSSE Gameplan, a long-term roadmap designed to embed HSSE as a core operating principle under the mantra "HSSE is how I do business." i. Strengthened personal and organisational responsibility for HSSE with: a. Consequence management framework to support behavioural improvement b. Healthy lifestyle programme to enhance workforce fitness ii. Embedded proactive incident prevention and predictive analysis through: a. Dashboard for real-time monitoring of HSSE leading indicators b. Assurance programme to assess compliance with HSSE leading indicators iii. Implemented visual risk management tools, such as the piping integrity heat map, hazard signage and dashboards iv Strengthened emergency preparedness for worst-case scenario events v. Structured incident sharing and upskilling sessions based on the last five years of PETRONAS incident data vi. Gap assessment programmes and visual management enhancements to address findings from the five-year PETRONAS incident list
Operational Excellence	• External threats affecting supply and demand required careful planning to meet yearly requirements • Sustaining high asset reliability remained critical as facilities continue to age	i. Optimised ethane and liquefied petroleum gas production through agile plant configurations and operating modes, enabling maintenance flexibility under the Ready-to-Fix approach to address reliability risks and maintain uninterrupted customer supply ii. Sustained asset reliability at above 99 per cent by executing reliability value creation efforts and ensuring swift response actions to minimise prolonged downtime during plant interruptions iii. Implemented improvement projects, by adopting a future-proof approach to manage forecast variations in feed gas composition and contamination, supporting long-term operability iv. Strengthened asset integrity through systematic asset inspection activities to mitigate loss-of-containment risks v. Participated in a strategic collaboration with PETRONAS Upstream Business to reduce enterprise-level greenhouse gas (GHG) emissions
Business Environment	Market volatility and cost pressures	i. Used hedging strategies and improved commercial terms to protect against price spikes and market fluctuations ii. Adopted flexible plant operations and targeted efficiency initiatives to minimise downtime and control operational expenses

Outlook

Short-Term

The short-term focus is to meet the contractual operating parameters through disciplined execution of operations and maintenance activities. Efforts will prioritise mitigating reliability risks to sustain high plant availability and ensure customer demand is consistently met. The division will also strengthen its project engineering and project management ecosystem to support safe and timely operational readiness.

Medium- to Long-Term

Over the medium- to long-term, the division will explore domestic infrastructure improvement initiatives and long-term solutions aimed at managing high feed gas contaminants, delivering operational sustainability and resilience.

Business Review

Gas Transportation

Azrul Roshazli Abdul Rahman
Chief Operating Officer, Gas Transportation and Regasification

Revenue

RM1.13 billion

2024: RM1.20 billion

Gross Profit

RM0.41 billion

2024: RM0.59 billion

Segment Asset

RM4.90 billion

2024: RM4.35 billion

Human Capital

Operational Performance

Operational Metrics	2025
Reliability	99.3%
Availability	99.3%
Sales Gas Peninsular Gas Utilisation (PGU) PDR	99.6%

Performance Against Strategic KPIs

Strategic Focus Area	2025 Performance
HSSE Excellence	i. **Two** Major HSE Incident ii. **Zero** Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to **RM52 million** in value creation* ii. CAPEX utilisation remained within Suruhanjaya Tenaga's (ST) approved allocation
Operational Excellence	i. PGU PDR at **99.6 per cent** ii. Reliability at **99.3 per cent** iii. **100 per cent** customer complaint resolution iv. **100 per cent** regulatory compliance
Strategic and Initiatives and Project Delivery Excellence	i. Successful completion of Kluang Compressor Station project ii. Successfully concluded Regulatory Period 2 (RP2) and obtained RP3 approval in December 2025
People Development	**100 per cent** ready successors for Regulations- and Act-related critical positions*

* *Combined assessment for Gas Transportation and Regasification*

SR *For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.*

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	• Strengthened pipeline integrity through inline inspection, corrosion control and predictive maintenance • Upgraded compression systems and rejuvenated ageing facilities, achieving higher reliability and extended asset lifecycles • Enhanced emergency preparedness, public awareness and Right-of-Way (ROW) security to safeguard assets and ensure uninterrupted, reliable gas transmission • Improved asset utilisation through load balancing and scheduling efficiencies, maximising throughput from existing infrastructure	• Optimised gas throughput and operational costs by integrating demand forecasting and data analytics to support sustained delivery • Strong performance during the RP2 cycle reflected disciplined execution and regulatory alignment. As the division transitions into RP3, robust strategic and tactical planning for accurate submissions will be critical in sustaining revenue stability, optimising resource allocation and maintaining regulatory confidence • Renewal of operations and maintenance (O&M) agreement for Trans Thai-Malaysia (M) Sdn. Bhd. pipeline for a period of 20 years	• Executed strategic pipeline and network capacity expansion, thus enabling the system to meet growing energy demand • Completion of Kluang Compressor Station project • Progressing the construction of the Jeram Compressor Station to meet growing gas demand

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSSE	Managing HSSE risk exposure effectively, including risks related to regulators and stakeholders	i. Strengthened collaboration with internal and external stakeholders to support implementation of the Let's Comply & Intervene campaign ii. Promoted HSSE Generative Culture among employees and partners iii. Strengthened regulatory compliance and HSSE governance in response to increased major project and critical activity requirements iv. Enhanced operational resilience post-Putra Heights by strengthening emergency response capabilities, refining Incident Action Plan and conducting joint drills with authorities and surrounding communities to ensure effective incident management v. Reinforced HSSE Personal Accountability for Safe System of Work, including Management of Change, Fitness-to-Work requirements and Chemical and Scheduled Waste Management
Operational Excellence	a. Third-party encroachments and external infrastructure activities that may interfere with regulated assets	i. Conducted routine ground, aerial and subsea surveillance to detect unauthorised activities ii. Used drones and virtual fencing for real-time monitoring of pipeline ROW and high-risk hotspots iii. Installed warning signage and pipeline markers to alert third parties in sensitive areas iv. Held regular engagements and awareness programmes with local communities, authorities and industrial parties to reduce external interference risks v. Implemented engineering controls, such as physical barriers at locations with a higher likelihood of third-party intrusion
	b. Third parties' adjacent land development resulting in potential asset damage and reputation impact, including related legal issues	i. Conducted proactive engagements and negotiations with landowners, authorities and legal teams to address land development issues ii. Assessed resolution options such as land acquisition, tenancy or right-of-use agreements or pipeline relocation where necessary iii. Maintained accurate as-built alignment drawings and conducted regular surveys to verify ROW condition and pipeline positioning
	c. Ageing asset integrity	i. Evaluated the integrity of existing assets and managed ageing facilities to maintain a secure gas supply ii. Pursued continuous improvement initiatives to enhance performance efficiency and value delivery
Business Environment	Delivering performance with regulated assets in line with regulatory requirements	i. Applied efficient and optimum O&M practices to support national energy demand ii. Used digital tools and technology to improve efficiency and maintain competitive operating costs iii. Identified new growth opportunities from existing facilities while managing varied demand requirements

Outlook

Short-Term

Our short-term priority is to strengthen operational excellence through improved pipeline integrity management and ageing facilities maintenance. We aim to boost compression system efficiency to ensure reliable and competitive gas delivery. Operational resilience will be enhanced through robust emergency response protocols, regular drills, awareness programmes and improved ROW surveillance to prevent encroachments and ensure stable transportation services.

Medium- to Long-Term

Over the medium- to long-term, we will pursue new growth opportunities and optimise asset utilisation to meet evolving national energy needs. We will continue investing in strategic asset rejuvenation and timely execution of growth projects. Workforce development will remain a priority to strengthen agility, innovation and resilience in support of long-term organisational performance.

Business Review

Regasification

Azrul Roshazli Abdul Rahman
Chief Operating Officer, Gas Transportation and Regasification

Revenue

RM1.38 billion

2024: RM1.36 billion

Gross Profit

RM0.61 billion

2024: RM0.60 billion

Segment Asset

RM5.01 billion

2024: RM4.47 billion

Human Capital

Operational Performance

2025 Operational Metrics	RGTSU	RGTP
Reliability	99.9%	100%
Availability	99.9%	100%
OEE	100%	100%

Performance Against Strategic KPIs

Strategic Focus Area	2025 Performance
HSSE Excellence	i. **Zero** Major HSE Incident ii. **Zero** Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to **RM52 million** in value creation* ii. CAPEX utilisation remained within ST's approved allocation
Operational Excellence	i. Regasification Terminal Sungai Udang (RGTSU) and Regasification Terminal Pengerang (RGTP) OEE at **100 per cent** ii. RGTSU Reliability at **99.9 per cent** and RGTP Reliability at **100 per cent** iii. **100 per cent** customer complaint resolution iv. **100 per cent** regulatory compliance
Strategic and Initiatives and Project Delivery Excellence	i. Completed expansion of Liquefied Natural Gas (LNG) storage facilities at Regasification Terminal Pengerang in August 2025 ii. Successfully concluded RP2 and obtained RP3 approval in December 2025
People Development	**100 per cent** ready successors for Regulations- and Act- related critical positions*

** Combined assessment for Gas Transportation and Regasification*

For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	• Strengthened asset integrity programme through corrosion management and predictive maintenance • Strengthened safety programmes to improve HSSE outcomes across regasification facilities	• Strong performance during the RP2 cycle reflects disciplined execution and regulatory alignment. As the division transitions into RP3, robust strategic and tactical planning for accurate submissions will be critical in sustaining revenue stability, optimising resource allocation and maintaining regulatory confidence • One-off settlement for prepayment of Annual Fixed Charges under the Jetty Usage Agreement remaining period to minimise foreign currency exposure	• Completed the expansion of LNG storage facilities at Regasification Terminal Pengerang • Leveraging cold energy from regasification process to generate new revenue streams

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSSE	Managing HSSE risk exposure, including risks related to regulatory and stakeholder expectations	i. Strengthened collaboration with internal and external stakeholders to increase HSSE awareness and ensure consistent compliance ii. Reinforced regulatory compliance and HSSE governance in response to increased major project activities iii. Promoted Personal Accountability through Safe System of Work, including Management of Change, Fitness-to-Work requirements and Chemical and Scheduled Waste Management
Operational Excellence	Sustaining operational excellence while managing ageing assets to ensure continuity of business value chain	i. Managed equipment performance to support plant reliability and gas supply continuity ii. Assessed asset integrity and rejuvenated facilities to maintain secure and stable gas supply iii. Delivered project execution that maximises value-chain capacity, including floating LNG storage in Pengerang iv. Conducted continuous preventive maintenance and predictive analysis to sustain equipment performance
Business Environment	Delivering performance with regulated assets in line with regulatory requirements	i. Applied efficient and optimised O&M practices to support national energy demand ii. Used digital tools and technology to enhance efficiency and maintain competitive operating costs iii. Sought new growth opportunities through asset optimisation and diversified service requirements

Outlook

Short-Term

Our short-term priority is to maintain asset reliability and integrity through ongoing optimisation programmes to ensure asset availability and responsiveness to market needs. We will prioritise disciplined project execution to support effective CAPEX utilisation within the regulatory period. We will also maximise existing regasification capacity to meet rising national gas demand.

Medium- to Long-Term

Over the medium- to long-term, we will expand asset capacity to meet increasing national energy demand while supporting sustainability and maintaining resilience in a dynamic market environment.

Business Review

Utilities

Shahrul Izan Bakti A Aziz
Chief Operating Officer, Gas Processing and Utilities

Revenue

RM2.00 billion

2024: RM2.11 billion

Gross Profit

RM0.26 billion

2024: RM0.28 billion

Segment Asset

RM2.23 billion

2024: RM1.78 billion

Human Capital

Operational Performance

Utilities	2024	2025
Electricity (GWh)	1,680	**1,736**
Steam (kMT)	4,499	**4,850**
Industrial Gases (MilNm³)	696	**640**

The Key Planning and Budget Input target was met in 2025.

2025 Operational Metrics	OEE	PDR
Electricity	**99.8%**	**99.8%**
Steam	**99.9%**	**99.9%**
Industrial Gases	**98.3%**	**100%**

Performance Against Strategic KPIs

Strategic Focus Area	2025 Performance
HSSE Excellence	i. **Zero** Major HSE Incident ii. **Zero** Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to **RM208 million** in value creation* ii. Timely execution and completion of CAPEX
Operational Excellence	i. UT PDR at **97.97 per cent** ii. UT OEE at **>99 per cent** iii. **100 per cent** regulatory compliance iv. Zero recurrence of "High" findings from audit
Strategic and Initiatives and Project Delivery Excellence	i. **100 per cent** completion of value creation initiatives through our business strategy roadmap ii. Enhanced project management and execution for project delivery excellence* iii. Continuation of gas turbine life extension and efficiency improvement project
People Development	i. **100 per cent** capability-based assessment in having the right competency for the operation* ii. **90 per cent** ready successors for Regulations- and Act-related critical positions*

* *Combined assessment for Gas Processing and Utilities*

For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	• Drove operational excellence through targeted reliability strategies, energy and GHG reduction initiatives and process optimisation • Focused on key priorities which included defect closure, efficient turnaround management, scenario modelling for contingency planning and continuous improvement in asset performance to maximise uptime, safety and cost efficiency	• Focused on expanding spot sales, strengthening revenue assurance and optimising contractual terms • Implemented strategic initiatives that enhanced profitability, including scenario modelling and commercial resets underpinned by sustainable growth and value creation	• Intensified efforts to acquire new potential businesses while positioning the Utilities business in high-growth areas • Centred growth plans on enhancing competitiveness and supporting expansion through plant integration opportunities

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSSE	High number of projects and site activities resulted in heightened exposure to HSSE risks Compliance with stricter environmental standards and regulations related to effluent and emissions discharge Commitment to sustainability and achieving Net Zero Carbon Emissions by 2050	i. Strengthened the culture of compliance through: a. Reinforced individual accountability using leading indicators and daily risk dashboards b. Improved understanding of hazards and risks with the "What Good Looks Like" checklist and empowered employees to apply the Stop Work Authority c. Used digital tools, such as Electronic Permit to Work+ 2.0, Integrated Process Safety Solution and Digital Pre-Activity Safety Review, to reduce human error and standardise processes d. Addressed external risks through the External Risk Management Programme to enhance protection and compliance ii. Advanced long-term solutions through project enhancements, supported by interim operational controls to improve effluent treatment, including improved chemical injection management iii. Continued carbon abatement initiatives to support sustainability goals and reduce emissions
Operational Excellence	Sustaining optimised operating condition while addressing customer needs for uninterrupted product supply	i. Strengthened steam system resilience through improved deviation analysis and optimised monitoring to proactively manage supply-demand imbalances, enabling economical operation and reliable product supply
Business Environment	Rising operational and support costs affected service delivery and margin performance Revision of the electricity tariff structure under the new RP4 resulted in a lower electricity margin	i. Mitigated operational and maintenance cost pressures through targeted efficiency initiatives and process optimisation to support profitability

Outlook

Short-Term

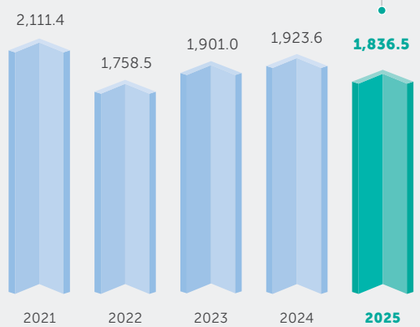
Our short-term priority is to ensure high plant availability, improving industrial gases performance and strengthening reliability measures to ensure high PDR.

Medium- to Long-Term

Our priorities over the medium- to long-term include exploring new customer segments while leveraging digital transformation to drive greater efficiency.

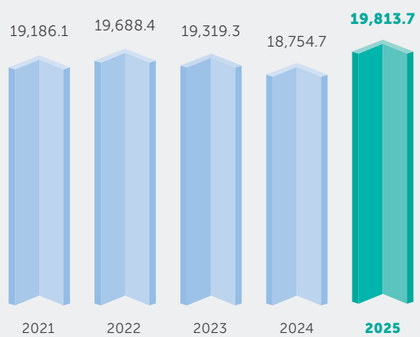
Financial Review
Five-Year Group Financial Review

Analysis of Profit After Tax (RM mil)



Profit declined by 4.5 per cent, or RM87.1 million, primarily due to lower profitability in the Gas Transportation segment, arising from costs incurred for gas supply restoration works and higher maintenance activities, coupled with tighter margins in the Utilities segment. These factors were further impacted by the non-recurrence of a one-off Investment Tax Allowance recognised in the prior year, although partially cushioned by higher other income.

Analysis of Total Assets (RM mil)



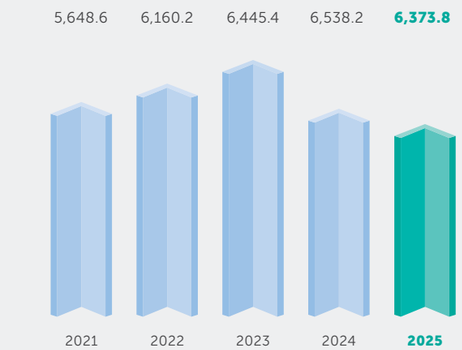
Total assets increased by 5.6 per cent or RM1,059.0 million, driven by higher property, plant and equipment arising from increased capital expenditure following the successful completion of Regulatory Period 2 commitments and continued progress on key growth projects.

Item	2021	2022	2023	2024	2025
Property, plant and equipment	13,272.4	13,408.4	13,630.5	13,915.9	**15,604.6**
Fixed assets	11,481.9	11,435.0	11,446.9	12,156.9	**13,389.9**
Project-in-progress	1,790.5	1,973.4	2,183.6	1,759.0	**2,214.7**
Trade and other receivables	889.6	990.0	926.6	961.5	**878.6**
Cash and cash equivalents	3,782.5	4,026.2	3,527.9	2,595.7	**1,937.8**

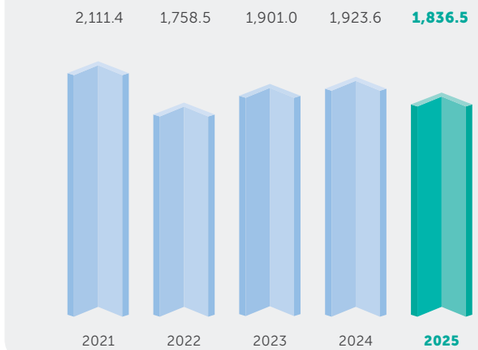
Financial Review
Five-Year Group Financial Summary

Year	2021	2022	2023	2024	2025
Revenue (RM mil)	5,648.6	6,160.2	6,445.4	6,538.2	**6,373.8**
Profit after tax (RM mil)	2,111.4	1,758.5	1,901.0	1,923.6	**1,836.5**
EBITDA (RM mil)	3,558.3	3,244.5	3,267.2	3,354.7	**3,376.5**
Dividend per share (sen)	82.0	72.0	72.0	72.0	**72.0**
Earnings per share (sen)	100.5	83.2	92.0	92.8	**87.3**
Total assets (RM mil)	19,186.1	19,688.4	19,319.3	18,754.7	**19,813.7**
Total equity (RM mil)	13,339.5	13,409.8	13,815.2	14,238.8	**14,707.4**
Market capitalisation (RM bil)	35.6	33.9	34.4	35.0	**35.9**
Closing share price (RM)	18.00	17.12	17.40	17.68	**18.14**

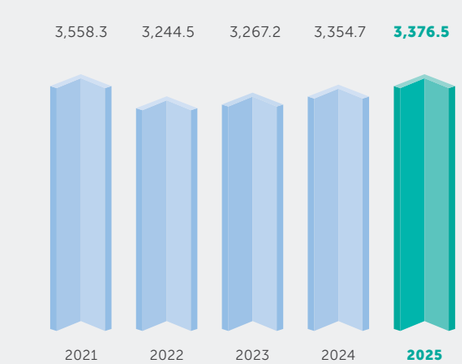
Revenue (RM mil)



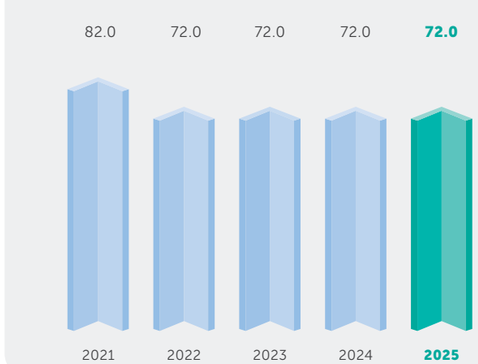
Profit After Tax (RM mil)



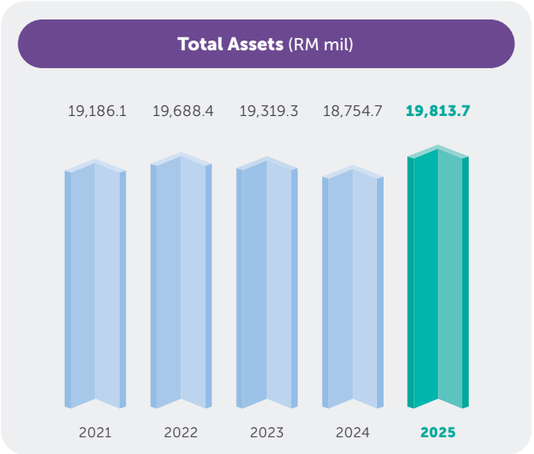
EBITDA (RM mil)

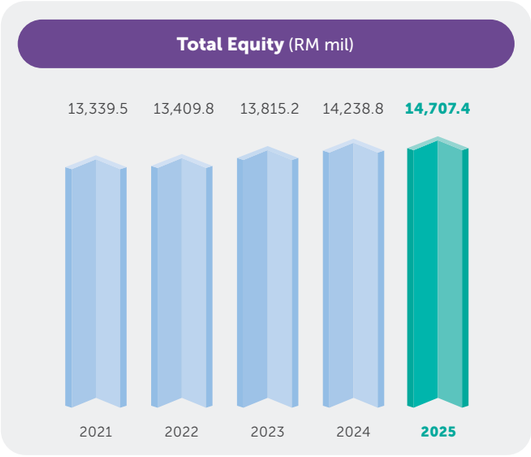


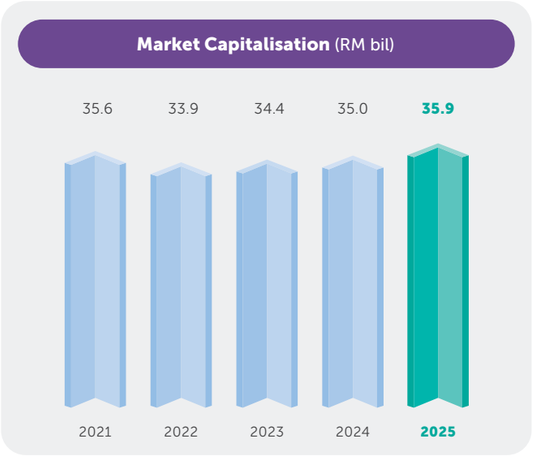
Dividend Per Share (sen)

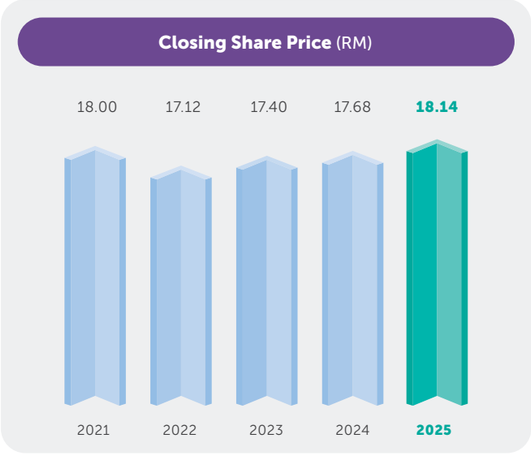


Financial Review
Five-Year Group Financial Summary









Financial Review
Five-Year Group Financial Information

Year	2021	2022	2023	2024	2025
Key results (RM mil)					
Revenue	5,648.6	6,160.2	6,445.4	6,538.2	**6,373.8**
By segment:					
Gas Processing	1,719.8	1,746.8	1,778.2	1,872.5	**1,866.6**
Gas Transportation	1,169.9	1,168.4	1,144.1	1,199.6	**1,130.3**
Regasification	1,413.5	1,412.1	1,352.3	1,355.2	**1,378.6**
Utilities	1,345.4	1,832.9	2,170.8	2,110.9	**1,998.3**
By geography:					
Peninsular Malaysia	5,641.0	6,152.6	6,443.3	6,538.2	**6,373.8**
Sabah and Sarawak	7.6	7.6	2.1	-	**-**
Interest income	84.3	120.2	149.2	123.4	**98.7**
Cost of revenue	2,928.8	3,812.5	4,158.4	4,260.9	**4,226.2**
By segment:					
Gas Processing	783.3	854.4	981.7	1,071.5	**998.7**
Gas Transportation	471.3	605.1	581.9	606.9	**715.8**
Regasification	602.5	661.2	714.7	755.4	**771.0**
Utilities	1,071.7	1,691.8	1,880.1	1,827.1	**1,740.7**
Financing costs	175.0	178.4	126.8	89.9	**82.6**
Administration expenses	132.0	113.5	131.1	145.9	**160.5**
Operating profit	2,659.5	2,320.1	2,273.7	2,303.0	**2,249.2**
Earnings before interests, taxes, depreciation and amortisation	3,558.3	3,244.5	3,267.2	3,354.7	**3,376.5**
Profit before taxation	2,641.7	2,269.4	2,386.0	2,360.3	**2,345.0**
Profit after taxation	2,111.4	1,758.5	1,901.0	1,923.6	**1,836.5**
Profit attributable to shareholders of the company	1,988.9	1,645.4	1,819.6	1,836.3	**1,727.1**
Key statement of financial position (RM mil)					
Property, plant and equipment	13,272.4	13,408.4	13,630.5	13,915.9	**15,604.6**
Cash and cash equivalents	3,782.5	4,026.2	3,027.9	2,595.7	**1,937.8**
Total assets	19,186.1	19,688.4	19,319.3	18,754.7	**19,813.7**
Borrowings	3,447.1	3,835.7	3,152.5	1,847.4	**1,523.7**
Total liabilities	5,846.6	6,278.6	5,504.1	4,515.9	**5,106.3**
Share capital	3,165.2	3,165.2	3,165.2	3,165.2	**3,165.2**
Reserves	9,933.4	9,982.9	10,389.9	10,783.2	**11,051.0**
Total equity attributable to shareholders of the company	13,098.6	13,148.1	13,555.1	13,948.4	**14,216.2**
Non-controlling interests	240.9	261.7	260.1	290.3	**491.2**
Total equity	13,339.5	13,409.8	13,815.2	14,238.8	**14,707.4**
Share information					
Earnings per share (sen)	100.5	83.2	92.0	92.8	**87.3**
Dividend per share (sen)	82.0	72.0	72.0	72.0	**72.0**
Net assets per share (RM)	6.62	6.64	6.85	7.05	**7.18**
Closing share price (RM)	18.00	17.12	17.40	17.68	**18.14**
Number of ordinary shares ('000)	1,978,732	1,978,732	1,978,732	1,978,732	**1,978,732**
Market capitalisation (RM bil)	35.6	33.9	34.4	35.0	**35.9**

Financial Review

Group Quarterly Performance

2025

In RM mil	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2025
Operating revenue	1,594.5	1,590.3	1,618.3	1,570.7	6,373.8
Operating profit	576.1	572.5	588.3	512.3	2,249.2
Profit before taxation	611.9	595.3	608.1	529.7	2,345.0
Profit after taxation	492.1	479.6	467.7	397.1	1,836.5
Profit attributable to shareholders of the company	468.8	450.2	444.2	363.9	1,727.1
Earnings per share (sen)	23.7	22.8	22.5	18.4	87.3
Dividend per share (sen)	16.0	16.0	18.0	22.0	72.0

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

Financial Review

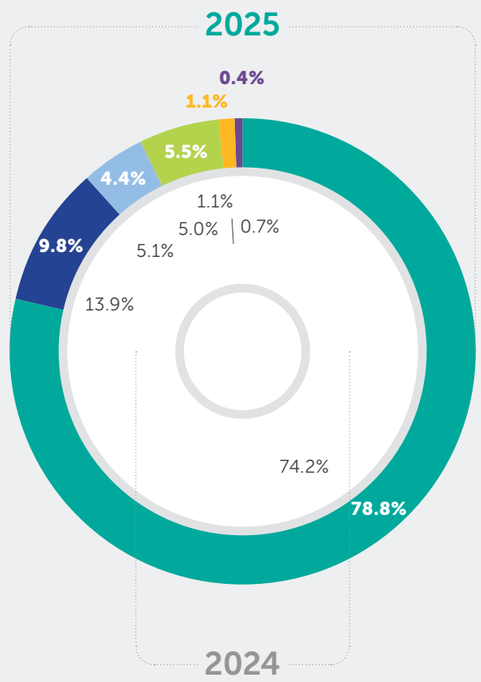
Simplified Group Statement of Financial Position

Total Assets

2025: **RM19.8 billion**
2024: RM18.8 billion

	2024	2025
Property, plant and equipment	74.2%	**78.8%**
Cash and cash equivalents*	13.9%	**9.8%**
Trade and other receivables	5.1%	**4.4%**
Investment in joint ventures	5.0%	**5.5%**
Investment in associate	1.1%	**1.1%**
Deferred tax assets	0.2%	**0.0%**
Long-term receivables	0.0%	**0.0%**
Trade and other inventories	0.2%	**0.2%**
Tax recoverable	0.3%	**0.2%**

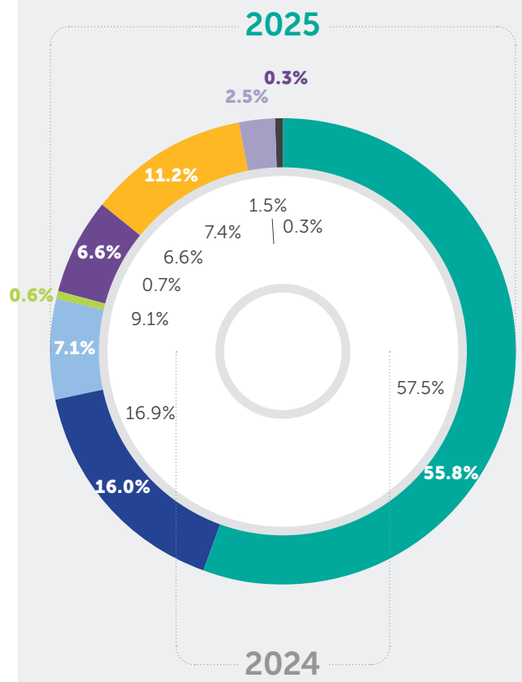
* *Certain comparative figures have been reclassified to conform with current year's presentation.*



Total Equity and Liabilities

2025: **RM19.8 billion**
2024: RM18.8 billion

	2024	2025
Reserves	57.5%	**55.8%**
Share capital	16.9%	**16.0%**
Non-current borrowings	9.1%	**7.1%**
Current borrowings	0.7%	**0.6%**
Deferred tax liabilities	6.6%	**6.6%**
Trade and other payables	7.4%	**11.2%**
Non-controlling interests	1.5%	**2.5%**
Other long-term liabilities and provisions	0.3%	**0.3%**



Financial Review

Key Interest-Bearing Assets and Liabilities

	2024			2025		
	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#	2,595.7	3.6-4.2	117.4	**1,937.8**	**3.0-3.7**	**96.0**
Term loans due from a joint venture	67.5	5.5	6.0	**-**	**5.5**	**2.7**
Interest bearing liabilities						
Islamic financing facilities*	1,285.0	2.0-4.3	(56.0)	**1,165.0**	**2.0-3.7**	**(39.0)**
Finance lease liabilities*	562.4	4.3-8.4	(47.6)	**358.7**	**4.3-8.4**	**(49.1)**

* 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.

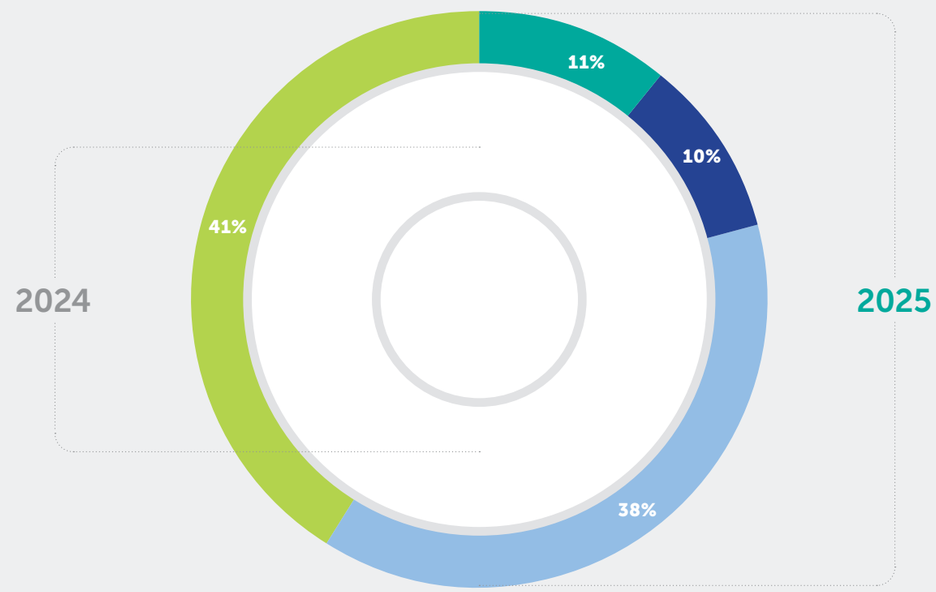
Statement of Value Added

	2024 RM mil	2025 RM mil
Revenue	6,538.2	**6,373.8**
Purchase of goods and services	(2,665.2)	**(2,716.8)**
Value added by the Group	3,873.0	**3,657.0**
Other income and expenses	171.6	**262.0**
Financing costs	(89.9)	**(82.6)**
Share of profit after tax of equity-accounted joint ventures and associate	147.3	**178.4**
Value added available for distribution	4,102.0	**4,014.8**

Financial Review

Distribution of Value Added

	2024 RM mil	2025 RM mil
To employees		
Employment costs	552.7	**431.1**
To government		
Taxation	352.8	**402.7**
To shareholders		
Dividends	1,424.7	**1,424.7**
Non-controlling interest	87.3	**109.3**
Retained for reinvestment and future growth		
Depreciation and amortisation	1,188.9	**1,238.8**
Deferred tax expense	83.9	**105.8**
Retained profit	411.7	**302.4**
	4,102.0	**4,014.8**



Financial Review

Investor Relations

In 2025, PGB's investor relations programme continued to prioritise transparent, timely and accessible communication with the investment community. Engagements throughout the year were led by the Managing Director/Chief Executive Officer, Chief Financial Officer and Head of Investor Relations, supported by senior management where required. A mix of physical and virtual platforms were used to ensure broad reach and uninterrupted access to key updates on performance, strategy and material developments affecting the business.

We conducted 14 engagement meetings, one analyst site visit and quarterly briefings during the year. These engagements involved collaboration partners including CGS International Securities, Employees Provident Fund (EPF), Legal & General Investment Management (LGIM), Sumitomo Mitsui, Institutional Investors Council Malaysia (IICM), Affin Hwang, CIMB and Kumpulan Wang Persaraan (Diperbadankan) (KWAP). Discussions across sessions covered areas such as business performance, sustainability expectations, market trends, governance matters and updates following the Putra Heights incident. Engagement was conducted through a combination of in-person meetings, Microsoft Teams sessions, email communication and webcast briefings.

We regularly communicate our efforts and progress 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.

Annual General Meeting

The 42nd Annual General Meeting was held physically on 23 April 2025 at the Royale Chulan Kuala Lumpur. A total of 1,317 shareholders and their representatives were present at the start of the meeting, representing 432,574,030 shares. All proposed resolutions were passed. The meeting minutes and voting results are accessible on the PGB website, with key outcomes also published on Bursa Malaysia.

Quarterly Announcements and Reporting

Quarterly results continued to be communicated through Bursa Malaysia announcements and publication on the PGB corporate website. Analyst briefings were conducted following selected quarters, delivered via webcast.

Quarterly Reporting Schedule 2025	Announcement Date	Briefing Date	Type of Meeting
Quarter 1	26 May 2025	27 May 2025	Webcast
Quarter 2	25 August 2025	25 August 2025	
Quarter 3	26 November 2025	27 November 2025	
Quarter 4	24 February 2026	25 February 2026	

All information updates remained accessible through Bursa Malaysia and the website.

Investor Engagement Sessions

7 January
2025 — Physical
Attended the CGS International Malaysia Corporate Day

11 April
2025 — Virtual
Employees Provident Fund Engagement with PETRONAS Companies on Directors Remuneration and Net Zero

30 April
2025 — Virtual
Engagement with LGIM to address its concerns on sustainability matters

30 April
2025 — Physical
Engagement with Sumitomo Mitsui Trust Asset Management

10 June
2025 — Physical
Engagement with the Institutional Investors Council Malaysia

25 June
2025 — Physical
Engagement with Affin Hwang Investment Bank analysts

22 July
2025 — Physical
Engagement between PGB's senior management and EPF's Corporate Sustainability unit

9 September
2025 — Virtual
Engagement between PGB Finance's senior management and EPF

9 December
2025 — Physical
ESG Engagement with KWAP

Site Visits:
Organised a visit for 12 analysts from CIMB to the Gas Processing Plant in Kertih on 28 October 2025

Financial Review
Investor Relations

2025 Significant Announcements

17 January

Share Subscription Agreement and Shareholders Agreement with Dialog Equity (Three) Sdn. Bhd.

BURSA Announcement

20 March

Publication of PETRONAS Gas Berhad's Regulatory Period 2 Adjusted Tariffs for Peninsular Gas Utilisation, Regasification Terminal Sg. Udang, Melaka, and Regasification Terminal Pengerang, Johor, from 1 January 2025 to 31 December 2025 Under the Third-Party Access Mechanism and Incentive-Based Regulation Framework

BURSA Announcement

1 April

Fire incident at PETRONAS Gas Berhad main pipeline near Puchong

BURSA Announcement

8 May

Transactions (Chapter 10 of Listing Requirements): Related Party Transactions

Shareholders Agreement Entered into Between PG Energia Sdn. Bhd., Sustainable Power Sdn. Bhd. and Sec Power Sdn. Bhd.

BURSA Announcement

15 July

Transactions (Chapter 10 of Listing Requirements): Related Party Transactions

Settlement Agreement PETRONAS Gas Berhad and BASF PETRONAS Chemicals Sdn. Bhd.

BURSA Announcement

1 October

Proposed Internal Reorganisation of PETRONAS Gas Berhad and its Subsidiaries

BURSA Announcement

22 October

Material Litigation

Shah Alam High Court Writ of Summons No. BA-22NCvC-472-10/2025 Filed by 36 Residents in Taman Putra Harmoni, Putra Heights, Against PETRONAS Gas Berhad

BURSA Announcement

23 December

Prepayment of Annual Fixed Charges Under the Jetty Usage Agreement Between Pengerang Terminals (Two) Sdn. Bhd. and Pengerang LNG (Two) Sdn. Bhd.

BURSA Announcement

26 December

Publication of PETRONAS Gas Berhad's Regulatory Period 3 Tariffs for Peninsular Gas Utilisation, Regasification Terminal Sg Udang, Melaka, and Regasification Terminal Pengerang, Johor, under the Incentive-Based Regulation Framework

BURSA Announcement

Financial Review
Financial Calendar

2025

21 February
Announcement of unaudited Q4 financial year 2024 (FY2024) results

25 February
Announcement of audited financial statements for FY2024

20 March
Payment of 4th interim dividend FY2024

21 March
Issuance of Integrated Report 2024 and Notice of 42nd Annual General Meeting (AGM)

23 April
42nd AGM

26 May
Announcement of Q1 financial year 2025 (FY2025) results

24 June
Payment of 1st interim dividend FY2025

25 August
Announcement of Q2 FY2025 results

22 September
Payment of 2nd interim dividend FY2025

26 November
Announcement of Q3 FY2025 results

23 December
Payment of 3rd interim dividend FY2025

2026

13 January
Notice of Court-Convened Meeting

12 February
Court-Convened Meeting

24 February
Announcement of unaudited Q4 FY2025 results

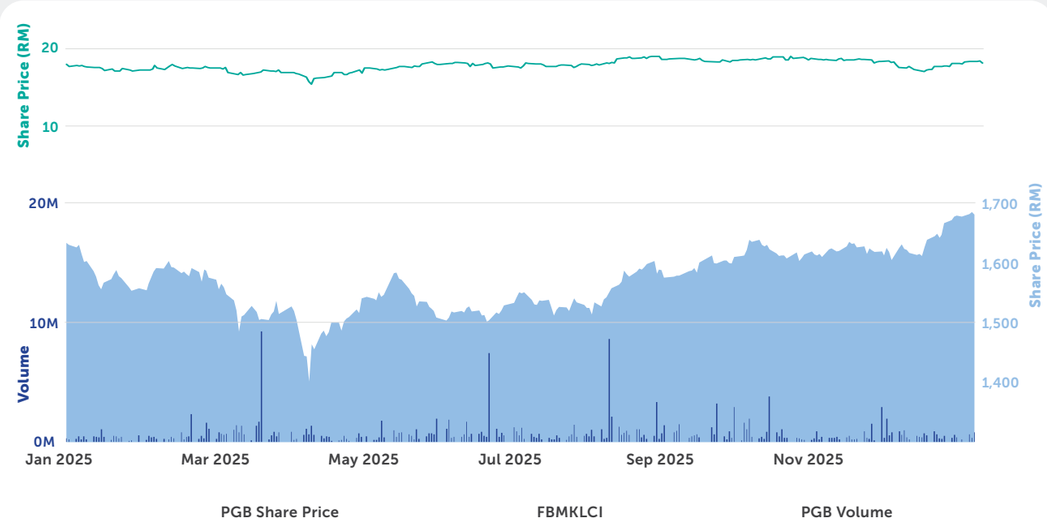
24 March
Payment of 4th interim dividend FY2025

27 March
Issuance of Integrated Report 2025 and Notice of 43rd AGM

29 April
43rd AGM

Financial Review

Share Price Performance



Earnings Per Share

87.3
sen per share

2024: 92.8 sen per share

Dividend Per Share

72.0
sen per share

2024: 72.0 sen per share

Market Capitalisation

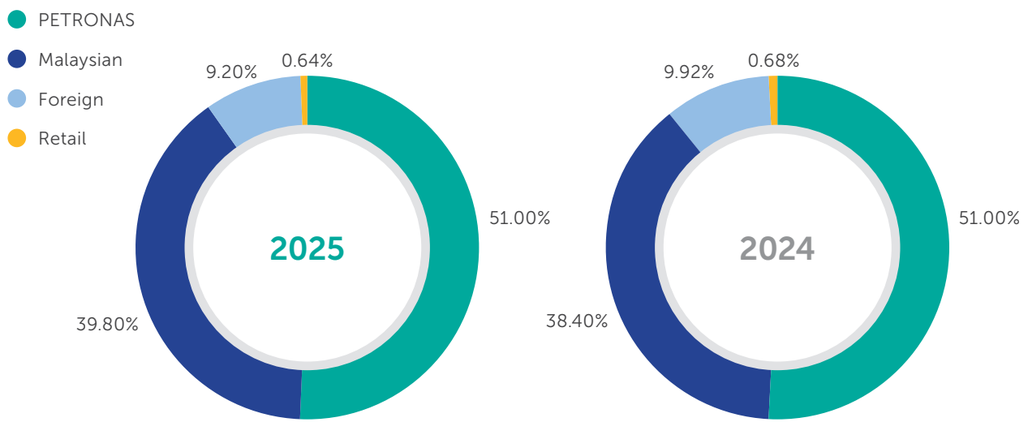
RM35.9
billion

2024: RM35.0 billion

Dividend

1st Interim	2nd Interim	3rd Interim	4th Interim
16 sen	**16** sen	**18** sen	**22** sen
24 June 2025	22 September 2025	23 December 2025	24 March 2026

Shareholding Breakdown as at 31 December 2025



Research Coverage

1. Affin Hwang Investment Bank
2. Apex Securities
3. BIMB Securities
4. Blue Sky Advisors
5. CGS International
6. CIMB Securities
7. Hong Leong Investment Bank
8. J.P. Morgan Securities
9. Kenanga Investment Bank
10. Maybank Investment Bank
11. MBSB Research
12. RHB Investment
13. TA Securities

Sustainability Review

Approach on Sustainability

"As Malaysia's leading gas infrastructure and utilities company, we manage our business to sustain operational excellence today while building sustainable value for tomorrow."

Our Approach to Sustainable Development

Sustainable development is integral to PGB's long-term strategy and operating model. As a regulated energy infrastructure company, our ability to create enduring value depends on maintaining system reliability, managing transition risks and meeting rising regulatory and stakeholder expectations with discipline and foresight.

Our approach is guided by the PGB Sustainability Blueprint, which translates strategic priorities into clear ambitions, performance targets and management accountabilities across four interconnected lenses. Together, these lenses embed sustainability into capital allocation, operational decision-making and governance oversight.

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.

UN SDGs that are key to us:

Our focused execution has contributed to improvements in Environmental, Social and Governance assessments and external recognition, reflecting a strengthening capability to respond to emerging regulatory requirements, manage transition risks and build organisational resilience.

Looking ahead, we remain committed to progressing towards our Net Zero Carbon Emissions 2050 aspirations through disciplined execution, strengthening environmental stewardship and prioritising lower carbon and efficiency initiatives that support long-term value creation and the energy transition.

Scope and Boundary of Reporting

This Report is published annually and covers the period from 1 January 2025 to 31 December 2025 unless otherwise stated. It encompasses our principal business activities, including business segments, subsidiaries and joint venture operations. Comparative data is presented where relevant to support year-on-year assessment. Any refinements to the reporting scope, organisational boundaries or methodologies are explained in the relevant sections of this Report.

Reporting Frameworks

Sustainability reporting continues to evolve in response to regulatory developments and growing investor expectations. This Report is prepared in accordance with national standards and with reference to international standards that guide disclosures across the industry.

- Global Reporting Initiative Universal Standards 2021
- Sustainability Accounting Standards Board Standards
- FTSE4Good Bursa Malaysia Index ESG Indicators
- International Petroleum Industry Environmental Conservation Association Sustainability Reporting Guidance for the Oil and Gas Industry (4th Edition, 2020)
- United Nations Sustainable Development Goals
- International Sustainability Standards Board's International Financial Reporting Standards S1 and S2

Scan Me:
For more information on our sustainability approach, governance and strategies, scan the QR code or download our full Sustainability Report 2025 from our corporate website.

Sustainability Review

Sustainability Scorecard

Sustainable Value Creation

Revenue
RM6.4 billion
2024: RM6.5 billion

Profit After Tax
RM1.8 billion
2024: RM1.9 billion

EBITDA
RM3.4 billion
2024: RM3.4 billion

Dividend Declared
72.0 sen per share
2024: 72.0 sen per share

Total Assets
RM19.8 billion
2024: RM18.8 billion

Market Capitalisation
RM35.9 billion
2024: RM35.0 billion

Average Sales Gas Delivered
2,161 MMscfd
2024: 2,455MMscfd

Land Area
5,203 hectares
2024: 5,145 hectares

Safeguard the Environment

Greenhouse Gas Emissions

Scope 1
5,475,205.02 tonnes CO_2e
2024: 6,074,946 tonnes CO_2e

Scope 2
73,304.74 tonnes CO_2e
2024: 51,319 tonnes CO_2e

Scope 3 (Categories 3, 10 and 15)
5,055* tonnes CO_2e
2023: 1,445,976 tonnes CO_2e

Recover, Recycle, Reuse and Reduce (4R) Waste
5,066 metric tonnes
2024: 1,799 metric tonnes

Freshwater Withdrawal Reduction
2,500,000 m^3
2024: 66,500m^3

Wastewater Discharge
788,120 m^3
2024: 1,012,932m^3

Fines and Penalties
0
2024: 0

* Data relates to 2024, with 2025 data to be disclosed in the next reporting cycle. For more information, please refer to our standalone Sustainability Report 2025 Climate Change Management section on page 58.

Positive Social Impact

Local Employment
100%
2024: 100%

Loss Time Injury Frequency
0.09
2024: 0.27

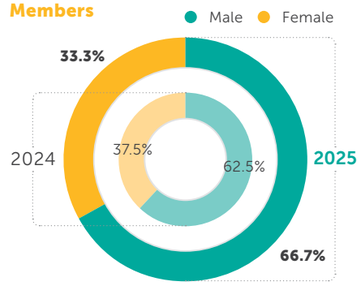
Employee Turnover Rate
2%
2024: 3%

Total Training Hours
133,781
2024: 198,881

Permanent Employee
99.6%
2024: 98.1%

Employee with Disability
0
2024: 0

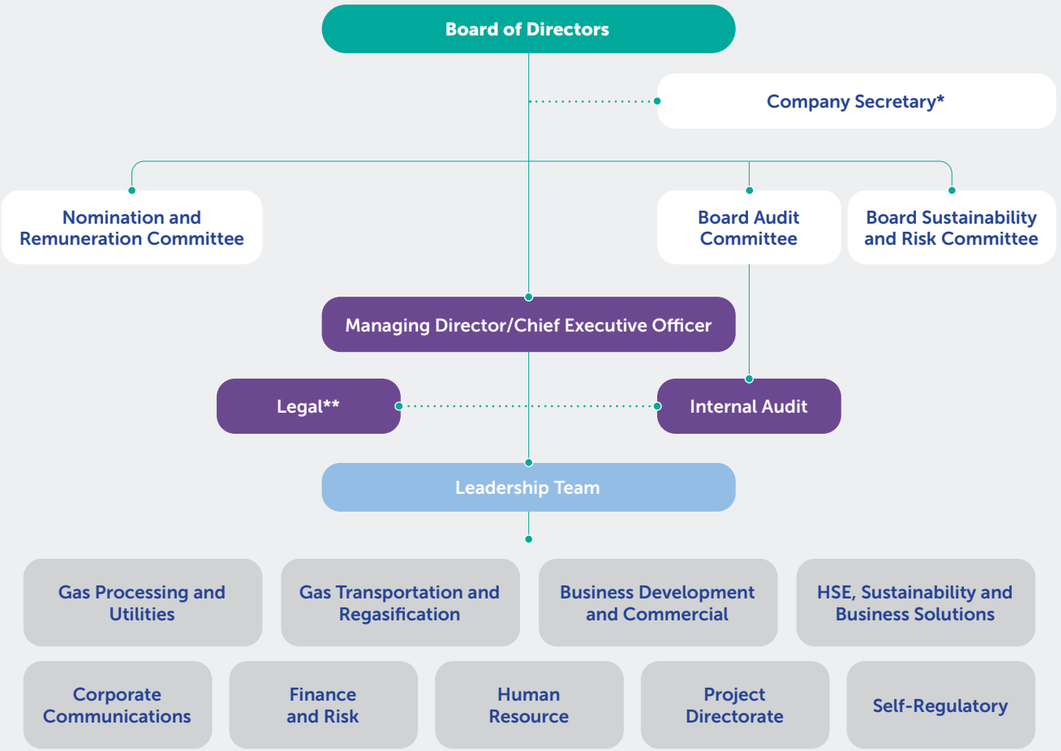
Board Members



a Progressive Energy and Solutions Partner, Enriching Lives for a Sustainable Future

Organisation Structure

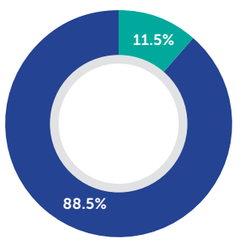
As at 27 February 2026



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

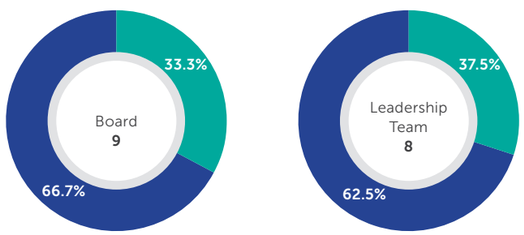
As at 31 December 2025

Workforce
(Number of Employees/Gender Diversity)



Female	210
Male	1,619
Total	**1,829**

Gender Diversity
(Women Representation)



Female **3** Male **6** Female **3** Male **5**

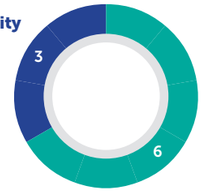
Nationality

100% Malaysian (1,829)

Board at a Glance

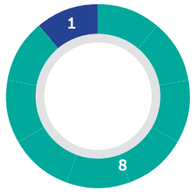
As at 27 February 2026

Board Diversity



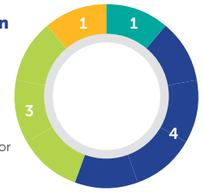
- Male
- Female

Nationality



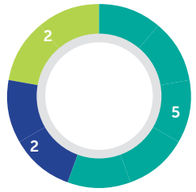
- Malaysian
- Non-Malaysian

Board Composition



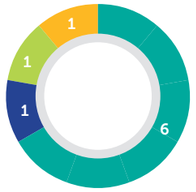
- Senior Independent Director
- Independent Non-Executive Director
- Non-Independent Non-Executive Director (including Chairman)
- Executive Director

Tenure



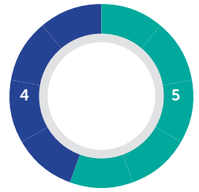
- 0–2 years
- 2–5 years
- 5–8 years

Ethnicity



- Malay
- Chinese
- Sikh
- Eurasian

Age Group



- Age 50–59
- Age 60–69

Directors' Expertise and Industry Proficiency Assessment

Skills Matrix:		Datuk Adif Zulkifli	Abdul Aziz Othman	Farina Farikhullah Khan	Datuk Mark Victor Rozario	Sujit Singh Parhar s/o Sukhdev Singh	Lim Li Ping	Yusa' Hassan	Datuk Dr. Yatimah Sarjiman	Izwan Ismail
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 Logistics	✓							✓	✓
PS	Public Sector								✓	

Profile of the Board of Directors

As at 27 February 2026

Datuk Adif Zulkifli

Chairman, Non-Independent Non-Executive Director

Malaysian | 55 Years Old | Male

Number of Board Meetings Attended as at 31 December 2025 11/11

Date of Appointment
20 August 2024

Length of Service
1 year 6 months

Skills Matrix and Industry Experience
EC ET CM CP HR INV SUS
O R S

Academic/Professional Qualifications

- Bachelor of Science in Petroleum Engineering, The Colorado School of Mines
- Master of Business Administration, 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, Gas & Maritime Business, PETRONAS
- Member, 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, The Society of Petroleum Engineers (SPE) Asia Pacific Regional Advisory Council
- Member, The International Advisory Committee for Offshore Technology Conference Asia (OTCA)
- Vice Chair, E&P Working Committee for the International Gas Union

Abdul Aziz Othman

Managing Director/Chief Executive Officer

Malaysian | 60 Years Old | Male

Number of Board Meetings Attended as at 31 December 2025 10/11

Date of Appointment
1 January 2021

Length of Service
5 years 2 months

Skills Matrix and Industry Experience
FA EC ET CM OP CP HR 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

- 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

Skills Matrix:

- FA Finance/Audit
- EC Economics
- CM Commercial/Marketing
- CP Corporate Planning and Development
- ICT ICT
- LR Legal/Regulatory
- ET Engineering/Technical
- OP Operations
- HR Human Resource
- EN Entrepreneurial
- INV Investment
- SUS Sustainability

Industry Experience:

- O Oil and Gas
- R Regional/International
- S Shipping and Logistics
- B Banking and Finance
- P Power
- PS Public Sector

Profile of the Board of Directors

As at 27 February 2026

Farina Farikhullah Khan

Senior Independent Non-Executive Director

Malaysian | 54 Years Old | Female

Number of Board Meetings Attended as at 31 December 2025 11/11

Date of Appointment
1 September 2018

Length of Service
7 years 6 months

Skills Matrix and Industry Experience
FA LR EC CP HR INV SUS
O B R

Academic/Professional Qualifications

- Advanced Management Programme, Harvard Business School, United States of America
- Fellow 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
- Lianson Fleet Group Berhad (formerly known as Icon Offshore Berhad)

Other public company:

- Nil

Foreign listed company:

- EnQuest PLC

Present Appointments

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

Past Experiences

- Chairman, AmBank Islamic Berhad
- Member, Group Nomination and Remuneration Committee of AMMB Holdings Berhad
- Member, Audit and Examination Committee of AMMB Holdings Berhad
- 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 Mark Victor Rozario

Independent Non-Executive Director

Malaysian | 61 Years Old | Male

Number of Board Meetings Attended as at 31 December 2025 11/11

Date of Appointment
1 June 2021

Length of Service
4 years 9 months

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
- Tropicana Corporation Berhad

Other public company:

- Citibank Berhad
- QBE Insurance (Malaysia) Berhad

Present Appointments

- Chairman, Nomination and Remuneration Committee of PETRONAS Gas Berhad
- Member, Board Sustainability and Risk Committee of PETRONAS Gas Berhad
- Member, Board Audit Committee of PETRONAS Gas Berhad
- Board Member, Pintar Projek Sdn. Bhd.
- Member, Board Audit Committee of Pintar Projek Sdn. Bhd.

Past Experiences

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

Skills Matrix:

FA Finance/Audit	EC Economics	CM Commercial/Marketing	CP Corporate Planning and Development	ICT ICT
LR Legal/Regulatory	ET Engineering/Technical	OP Operations	HR Human Resource	EN Entrepreneurial

Industry Experience:

INV Investment	O Oil and Gas	R Regional/International	S Shipping and Logistics
SUS Sustainability	B Banking and Finance	P Power	PS Public Sector

Profile of the Board of Directors

As at 27 February 2026

Sujit Singh Parhar s/o Sukhdev Singh

Independent Non-Executive Director

Singaporean | 55 Years Old | Male

Number of Board Meetings Attended as at 31 December 2025 11/11

Date of Appointment
15 July 2021

Length of Service
4 years 7 months

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:

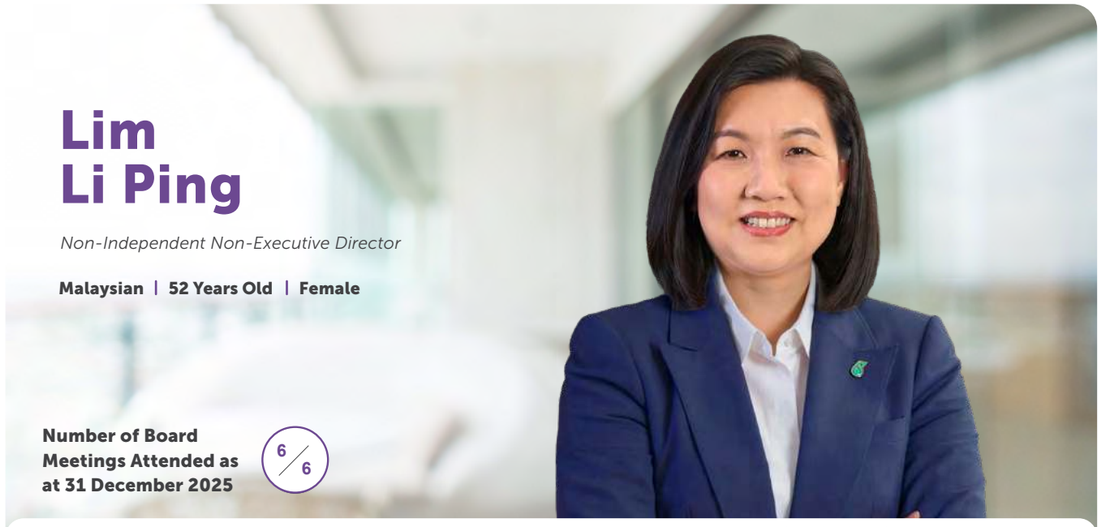
- Nil

Present Appointments

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

Past Experiences

- Member, Board Audit Committee of PETRONAS Gas Berhad
- 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



Lim Li Ping

Non-Independent Non-Executive Director

Malaysian | 52 Years Old | Female

Number of Board Meetings Attended as at 31 December 2025 6/6

Date of Appointment
24 April 2025

Length of Service
10 months

Skills Matrix and Industry Experience
ET CM OP CP SUS O

Academic/Professional Qualifications

- Bachelor of Chemical Engineering, University of Adelaide
- Master of Business Administration, Massachusetts Institute of Technology, United States of America

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Head, Special Project, PETRONAS Chemicals Group Berhad
- Board Member of various companies in PETRONAS

Past Experiences

- Senior General Manager, Corporate Strategic Planning, Corporate Strategy, PETRONAS
- General Manager, Commercial Malaysia, PETRONAS Carigali
- General Manager, Strategy Planning & Portfolio Management, Corporate Strategy, PETRONAS
- Senior Manager, Strategy Development, Petroleum Management Unit, PETRONAS
- Manager, Strategy Development, Petrochemical Business

Skills Matrix:

FA Finance/Audit	EC Economics	CM Commercial/Marketing	CP Corporate Planning and Development	ICT ICT
LR Legal/Regulatory	ET Engineering/Technical	OP Operations	HR Human Resource	EN Entrepreneurial

Industry Experience:

INV Investment	O Oil and Gas	R Regional/International	S Shipping and Logistics
SUS Sustainability	B Banking and Finance	P Power	PS Public Sector

Profile of the Board of Directors

As at 27 February 2026

Yusa' Hassan

Independent Non-Executive Director

Malaysian | 62 Years Old | Male

Number of Board Meetings Attended as at 31 December 2025 5/5

Date of Appointment
10 June 2025

Length of Service
8 months

Skills Matrix and Industry Experience
FA ET CM OP CP HR INV SUS O R

Academic/Professional Qualifications

- Bachelor of Science in Mechanical Engineering, West Virginia University
- INSEAD Programme, INSEAD Business School

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad

Other public company:

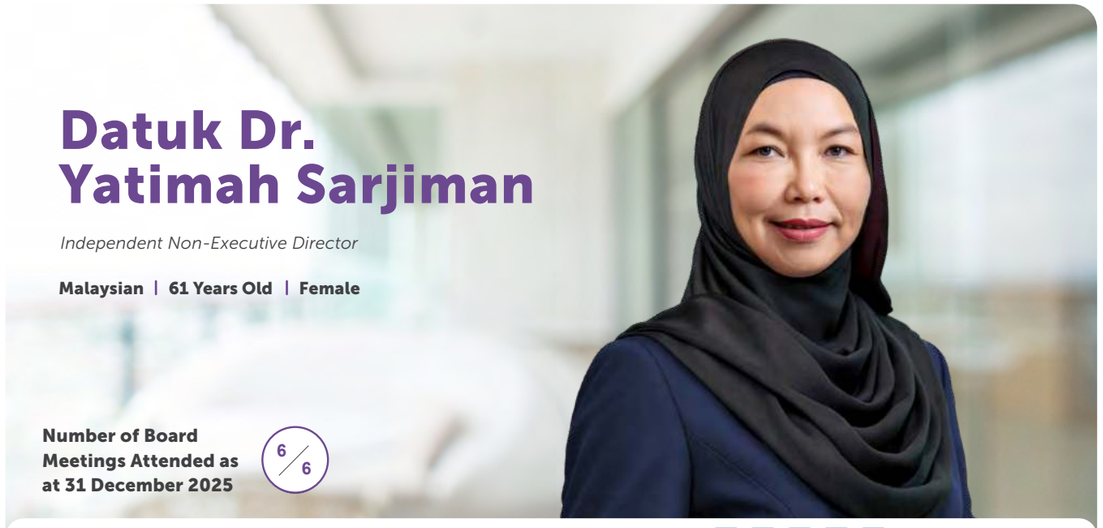
- Nil

Present Appointments

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

Past Experiences

- Managing Director/Chief Executive Officer, Engen Limited, South Africa
- Managing Director/Chief Executive Officer, PETRONAS Gas Berhad
- Vice President, Gas & Power, PETRONAS
- Head of Fertilizer & Methanol, PETRONAS Chemicals Group Berhad
- Head, Olefin & Derivatives, PETRONAS Chemicals Group Berhad
- Managing Director/Chief Executive Officer, MTBE Sdn. Bhd. and Polypropylene Sdn. Bhd.
- Managing Director/Chief Executive Officer, PETRONAS Penapisan (T) Sdn. Bhd.
- General Manager Plant, PETRONAS Penapisan (T) Sdn. Bhd.
- Senior Manager Operation, Aromatics Complex, PETRONAS Penapisan (T) Sdn. Bhd.
- Engineering and Construction Manager, PETRONAS Ammonia Sdn. Bhd.
- Engineering Manager, Operation phase, PETRONAS Ammonia Sdn. Bhd.
- Engineering Manager in various disciplines, ASEAN Bintulu Fertilizer Sdn. Bhd.



Datuk Dr. Yatimah Sarjiman

Independent Non-Executive Director

Malaysian | 61 Years Old | Female

Number of Board Meetings Attended as at 31 December 2025 6/6

Date of Appointment
24 April 2025

Length of Service
10 months

Skills Matrix and Industry Experience
FA CM HR ICT SUS O B P S PS

Academic/Professional Qualifications

- Bachelor of Business Accounting Information System/ Computer Information System, Idaho State University, United States of America
- Master of Business Administration in Accounting & Finance/ International Business, Northrop University, United States of America
- Doctor of Philosophy Degree, Universiti Utara Malaysia

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad
- Kim Teck Cheong Berhad

Other public company:

- UEM Group Berhad

Present Appointments

- Member, Board Sustainability and Risk Committee of PETRONAS Gas Berhad
- Member, Board Audit Committee of PETRONAS Gas Berhad
- Board Member, Malaysian Industry-Government Group for High Technology (MIGHT)
- Board Member, Pr1ma Corporation Malaysia

Past Experiences

- Deputy Secretary General (Sectoral), Ministry of Economy
- Board Member, FGV Holdings Berhad
- Board Member, FELDA Berhad
- Board Member, FELCRA Berhad
- Board Member, Malaysia-Thailand Joint Authority (MTJA)
- Board Member, Agriculture Division, Economic Planning Unit (EPU) of the Prime Minister's Department
- Director General, Department of Women Development
- Deputy Secretary General, Prime Minister's Department

Skills Matrix:

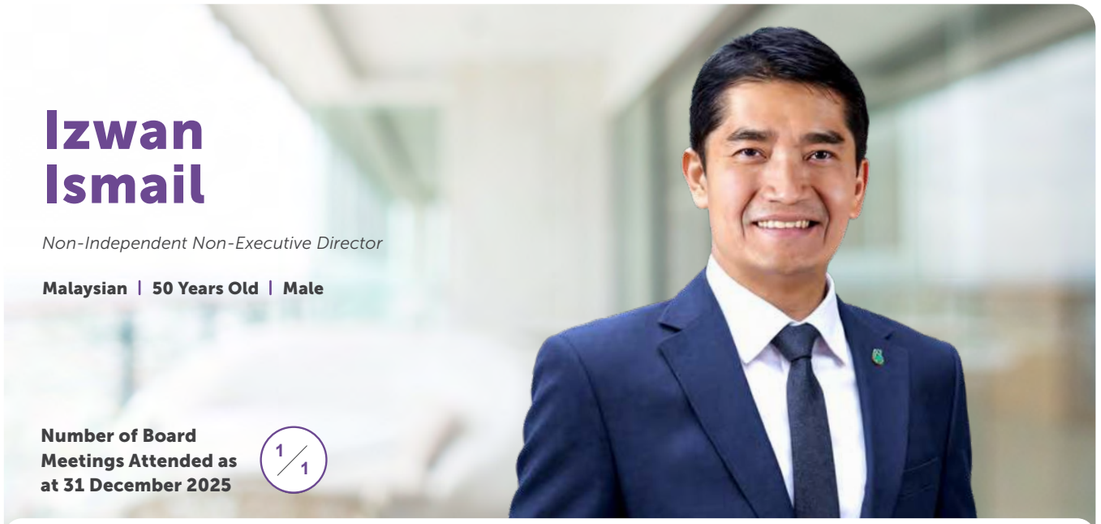
FA Finance/Audit	EC Economics	CM Commercial/Marketing	CP Corporate Planning and Development	ICT ICT
LR Legal/Regulatory	ET Engineering/Technical	OP Operations	HR Human Resource	EN Entrepreneurial

Industry Experience:

INV Investment	O Oil and Gas	R Regional/International	S Shipping and Logistics
SUS Sustainability	B Banking and Finance	P Power	PS Public Sector

Profile of the Board of Directors

As at 27 February 2026



Izwan Ismail

Non-Independent Non-Executive Director

Malaysian | 50 Years Old | Male

Number of Board Meetings Attended as at 31 December 2025 1/1

Date of Appointment
15 September 2025

Length of Service
5 months

Skills Matrix and Industry Experience
FA EC CM CP HR ICT INV
O B R S

Academic/Professional Qualifications

- Master of Business Administration, Harvard Business School, Boston, United States of America
- Fellow of Chartered Accountants Australia and New Zealand
- Member of the Malaysian Institute of Certified Public Accountants
- Bachelor of Commerce with a double major in Accounting and Information Systems, University of New South Wales, Sydney, Australia

Present Directorships

Listed issuer:

- PETRONAS Gas Berhad

Other public company:

- Nil

Present Appointments

- Vice President of Group Technology & Commercialisation, PETRONAS
- Board member of various companies in PETRONAS

Past Experiences

- President & Chief Executive Officer, PETRONAS Canada Energy Limited and Country Chairman, PETRONAS in Canada
- Senior General Manager and Executive Assistant to the President & Group Chief Executive Officer, PETRONAS
- Head, Corporate Finance, PETRONAS
- Senior Vice President of Finance and Group Vice President, Corporate Planning & Development, AET
- Senior Manager, Group Accounts and Group Treasury, MISC Berhad
- Audit Senior, Arthur Andersen

Additional Information on the Board of Directors

- None of the Directors has any family relationship with any Director and/or Major Shareholder of PGB
- None of the Directors has any conviction for any offences within the past five years, other than traffic offences, if any
- None of the Directors has any penalty or public sanction by the relevant regulatory bodies during the financial year ended 31 December 2025
- None of the Directors has more than five directorships in listed issuers
- Save as disclosed below, none of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with PGB and its subsidiaries:
  - Petroliam 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, Lim Li Ping and Izwan Ismail are employees of PETRONAS as stated in their respective profiles under "Present Appointments".
    (ii) Abdul Aziz Othman is an employee of PETRONAS and has been seconded to PGB as the Managing Director/Chief Executive Officer.

Skills Matrix:

FA Finance/Audit	ET Engineering/ Technical	CP Corporate Planning and Development	EN Entrepreneurial	
LR Legal/Regulatory	CM Commercial/ Marketing	HR Human Resource	INV Investment	
EC Economics	OP Operations	ICT ICT	SUS Sustainability	

Industry Experience:

O Oil and Gas	P Power
B Banking and Finance	S Shipping and Logistics
R Regional/International	PS Public Sector

Company Secretaries

As at 27 February 2026

Azira Marini Ab Rahim

Company Secretary

Malaysian | 47 Years Old | Female

Academic/Professional Qualifications

- Degree in Corporate Administration (Company Secretarial Practices), MARA University of Technology, Malaysia
- Degree in Legal Studies, MARA University of Technology, Malaysia
- Licensed Company Secretary by Companies Commission of Malaysia

Mek Yam @ Mariam Hassan

Company Secretary

Malaysian | 52 Years Old | Female

Academic/Professional Qualifications

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

Profile of Leadership Team

As at 27 February 2026

Abdul Aziz Othman

Managing Director/Chief Executive Officer

Malaysian | 60 Years Old | Male
Length of Service : 5 Years 2 Months

Date of Appointment
- January 2021

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
- 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

Shahrul Izan Bakti A Aziz

Chief Operating Officer, Gas Processing and Utilities

Malaysian | 49 Years Old | Male
Length of Service : 2 Years

Date of Appointment
- December 2023

Responsibilities
- Overall management and operations of Gas Processing and 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
- Chief Executive Officer, PETRONAS Research Sdn. Bhd.
- Senior General Manager, Technology Research, PETRONAS
- Board Member, PG Energia Sdn. Bhd.
- Chief Executive Officer/Board Member, PG Utilities East Sdn. Bhd.
- Chief Executive Officer/Board Member, PG Gas Processing Sdn. Bhd.
- Board Member, Regas Terminal (Sg.Udang) Sdn Bhd
- Board Member, CEFS Response

Past Experiences
- Chief Operating Officer, Gas Processing and Utilities (formerly Senior General Manager, Gas Processing and Utilities)
- General Manager, Gas Processing Kertih, 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.

Note:
Shahrul Izan Bakti A Aziz served as the Chief Operating Officer, Gas Processing and Utilities (formerly Senior General Manager, Gas Processing and Utilities) until 30 November 2025. Subsequent to this, Mohd Zainuddin Yahaya assumed the role of Acting Chief Operating Officer, Gas Processing and Utilities effective 1 December 2025.

Azrul Roshazli Abdul Rahman

Chief Operating Officer, Gas Transportation and Regasification

Malaysian | 48 Years Old | Male
Length of Service : 1 Month

Date of Appointment
- February 2026

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
- M.Eng (Hons) in Mechanical Engineering, Imperial College London, United Kingdom

Present Appointments
- Chief Executive Officer, Regas Terminal (Sg Udang) Sdn. Bhd.
- Chief Executive Officer, PG Transco Sdn. Bhd.
- Board Member, PETRONAS Floating LNG 1 (L) Ltd
- Board Member, PETRONAS Floating LNG 2 (L) Ltd
- Board Member, PFLNG 3 Sdn. Bhd.

Past Experiences
- Senior General Manager, PFLNG 3 Sdn. Bhd.
- Senior General Manager, PETRONAS Floating LNG 1 (L) Ltd and PETRONAS Floating LNG 2 (L) Ltd
- General Manager, Engineering, PETRONAS Floating LNG 1 (L) Ltd
- Head, Technical Assurance, PETRONAS Canada LNG Ltd
- Senior Manager, Technical Services, PETRONAS Floating LNG 1 (L) Ltd

Profile of Leadership Team

As at 27 February 2026

Shahrul Azham Sukaiman

Chief Financial Officer

Malaysian | 46 Years Old | Male
Length of Service : 3 Years 8 Months

Date of Appointment
- July 2022

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
- Board Member, Regas Terminal (Sg Udang) Sdn. Bhd.
- Board Member, Pengerang LNG (Two) Sdn. Bhd.
- Board Member, Kimanis Power Sdn. Bhd.
- Board Member, Kimanis O&M Sdn. Bhd.
- Board Member, Pengerang Gas Solutions Sdn. Bhd.
- Board Member, Industrial Gases Solutions Sdn. Bhd.
- Board Member, Sipitang Utilities Sdn. Bhd.
- Board Member, PG Cold Energy 1 Sdn. Bhd. (formerly known as Regas Terminal (Pengerang) Sdn. Bhd.)
- Board Member, Kimanis Power (Dua) Sdn. Bhd.
- Board Member, Rancha Power Sdn. Bhd.
- Board Member, PG LinkaranFibre Sdn. Bhd.
- Chief Executive Officer, PG Energia 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

Wan Khairul Nizam Wan Kassim

General Manager, Business Development and Commercial

Malaysian | 45 Years Old | Male
Length of Service : 1 Year 9 Months

Date of Appointment
- June 2024

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

Academic/Professional Qualifications
- Bachelor of Chemical Engineering, Universiti Teknologi Malaysia
- General Management Programme, Wharton School

Present Appointments
- Managing Director/Chief Executive Officer, Pengerang LNG (Two) Sdn. Bhd.
- Board Member, Industrial Gases Solutions Sdn. Bhd.
- Board Member, Sipitang Utilities Sdn. Bhd.
- Board Member, PG Cold Energy 1 Sdn. Bhd. (formerly known as Regas Terminal (Pengerang) Sdn. Bhd.)
- Board Member, PRPC Utilities and Facilities Sdn. Bhd.
- Board Member, Pengerang Power Sdn. Bhd.
- Board Member, Pengerang Water Sdn. Bhd.
- Board Member, 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

Rosni Hamid

Chief Human Resource Officer

Malaysian | 50 Years Old | Female
Length of Service : 4 Years 4 months

Date of Appointment
- November 2021

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

Academic/Professional Qualifications
- Bachelor of Business Admin (Honour), Universiti Utara Malaysia

Present Appointments
- General Manager, Human Resource Management, Gas and Power, PETRONAS

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

Jamadil Khairiah Mohamad

General Counsel, Legal Gas and Power

Malaysian | 49 Years Old | Female
Length of Service : 3 years

Date of Appointment
- March 2023

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, Human Resources, PETRONAS
- Head, Legal Counsel, PETRONAS
- Manager, Legal Counsel – Nitro & Ind/Special Chem, PETRONAS
- Manager, Legal Counsel – Olefins & Polymers, PETRONAS

Profile of Leadership Team

As at 27 February 2026

Mohd Azli Husin

General Manager, Self-Regulatory

Malaysian | 48 Years Old | Male
Length of Service : 4 Years 5 Months

Date of Appointment
- October 2021

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

Florence Oh Yeok Kim

Senior Manager, Corporate Communications

Malaysian | 51 Years Old | Female
Length of Service : 4 Years 6 months

Date of Appointment
- September 2021

Responsibilities
- Overall corporate 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

Additional Information on 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

Dear Shareholders,

Sound governance defines the credibility, stability and long-term performance of PETRONAS Gas Berhad (PGB or the Group). It shapes strategic judgement, frames risk oversight and establishes clear lines of accountability across the organisation. Building on this foundation, this Corporate Governance Overview Statement sets out the framework, practices and priorities that guided the Board's work for the financial year ended 31 December 2025, demonstrating how governance supports sustainable value creation.

PGB's governance practices are aligned with the Malaysian Code on Corporate Governance 2021 (MCCG 2021), the Bursa Malaysia Corporate Governance Guide (4th Edition) and the Companies Act 2016 (CA 2016). These frameworks inform Board deliberations, shape internal policies and structure oversight processes across the Group. As at the date of this Statement, the Company complies with all provisions of MCCG 2021, save for Practices 8.2 and 13.3. The rationale for these departures is explained in the Corporate Governance Report 2025, available at www.petronas.com/pgb.

Board Focus During the Year

Within this governance framework, the Board's agenda in 2025 encompassed business strategy, financial performance, enterprise risk management, sustainability oversight and governance enhancements, as elaborated in the Key Focus Areas of this Statement. These deliberations took place against a complex operating landscape that required careful assessment and coordinated action.

Particular attention was directed to the Putra Heights fire incident. The Board addressed the matter with urgency and diligence, focusing on preventive measures, operational continuity, reputational management and appropriate care for affected residents. To reinforce oversight, an Independent Taskforce comprising three Independent Non-Executive Directors was established. Reporting directly to the Board, the Taskforce provided oversight and strategic guidance on response measures, stakeholder engagement and follow-up actions, ensuring that insights from the review were translated into governance and operational enhancements.

Board Performance

Effective oversight depends on a Board that operates with clarity of roles, breadth of expertise and a culture of constructive challenge. In line with this, the Board Effectiveness Evaluation (BEE 2025) was conducted during the year by an independent consultant. The evaluation assessed the performance of the Board as a whole, its Committees and individual Directors.

The findings affirmed the Board's strong effectiveness, balanced composition and constructive engagement with Management, while reinforcing its commitment to continuous improvement and high standards of governance.

Sustaining an Effective and Capable Board

During the year, the Board undertook a review of the Directors' Remuneration Framework and remuneration package to ensure it remains competitive, relevant and aligned with the Company's evolving needs. The review was guided by the Company's financial capacity, prevailing market benchmarks and the importance of attracting and retaining Directors with the requisite skills, experience and sound judgement. In determining appropriate remuneration outcomes, due regard was also given to the scope of fiduciary duties and responsibilities assumed by Directors, particularly in light of the scale, complexity and strategic demands of the Group's operations.

Sustainability Oversight

Environmental, Social and Governance considerations are embedded within the Group's strategic planning and risk management processes. The Board assumes overall responsibility for oversight of these matters, ensuring that sustainability factors are integrated into corporate objectives and operational decisions.

Regular updates on sustainability priorities, targets and performance were presented for deliberation at the Board. These discussions enabled evaluation of resource allocation, regulatory developments and long-term business implications. Environmental and social factors are assessed alongside financial and operational considerations in significant decisions, supporting balanced and informed judgement.

The Board Sustainability and Risk Committee (BSRC) provides focused oversight in this area. Working closely with Senior Management, the BSRC monitors sustainability initiatives, reviews risk exposures and tracks progress against established objectives. This clear delineation of responsibilities enhances accountability and facilitates timely responses to emerging developments.

Sustaining Momentum

During the year, the Board experienced changes in its composition as Datuk Yeow Kian Chai, Cik Marina Md Taib and Puan Hasliza Othman stepped down from their roles. On behalf of the Board, I record our sincere appreciation for their service and valued contributions, which have supported the Group's growth and strengthened its governance over the years. Board renewal is an important element of effective oversight, ensuring that the Group continues to benefit from the appropriate balance of experience, independence and perspective.

As PGB moves into the year ahead, the Board's focus is centred on advancing the Group's governance framework in line with regulatory expectations and recognised best practices. We will continue to enhance risk management oversight and integrate sustainability considerations into our strategic deliberations, reinforcing disciplined and balanced decision-making at every level of the organisation.

With a solid foundation in place, PGB is well-positioned to navigate emerging challenges while pursuing opportunities aligned with our strategic priorities. The Board will continue to exercise prudent stewardship, uphold high standards of governance and maintain financial and operational discipline to deliver sustainable outcomes for the long term.

Guided by clear priorities and a disciplined approach, we are confident in the Group's ability to adapt, compete and grow responsibly. On behalf of the Board, I thank you for your continued confidence and partnership as we shape the next chapter of PGB's journey.

DATUK ADIF ZULKIFLI
Chairman
PETRONAS Gas Berhad

Corporate Governance Overview Statement

The Board of Directors of PETRONAS Gas Berhad (PGB or the Group) is pleased to present the Corporate Governance (CG) Overview Statement for the financial year ended 31 December 2025.

This statement outlines how the Group has applied the principles and best practices of sound governance as set out in the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), the Companies Act 2016 (CA 2016), the Malaysian Code on Corporate Governance 2021 (MCCG 2021) and the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia. In addition, the Group's governance framework and practices are regularly benchmarked against the ASEAN Corporate Governance Scorecard and other relevant statutory and regulatory requirements to maintain alignment with evolving global standards.

- **MMLR of Bursa Malaysia**
- **CA 2016**
- **MCCG 2021**
- **Corporate Governance Guide (4th Edition) issued by Bursa Malaysia**

This statement should be read in conjunction with the detailed Corporate Governance Report 2025 (CG Report 2025), which is available on the Company's website at www.petronas.com/pgb. Together, they describe how PGB has implemented and sustained practices that are consistent with the three key principles of the MCCG 2021:

Principle A	Principle B	Principle C
Board Leadership and Effectiveness	**Effective Audit and Risk Management**	**Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

The Board recognises that strong corporate governance is fundamental to long-term success. It is therefore committed to upholding high standards of integrity, transparency and accountability in all aspects of decision-making and business conduct. Through disciplined governance and ethical leadership, PGB seeks to safeguard stakeholder confidence and deliver sustainable economic value over the long term.

Principle A: Board Leadership and Effectiveness

Governance Structure

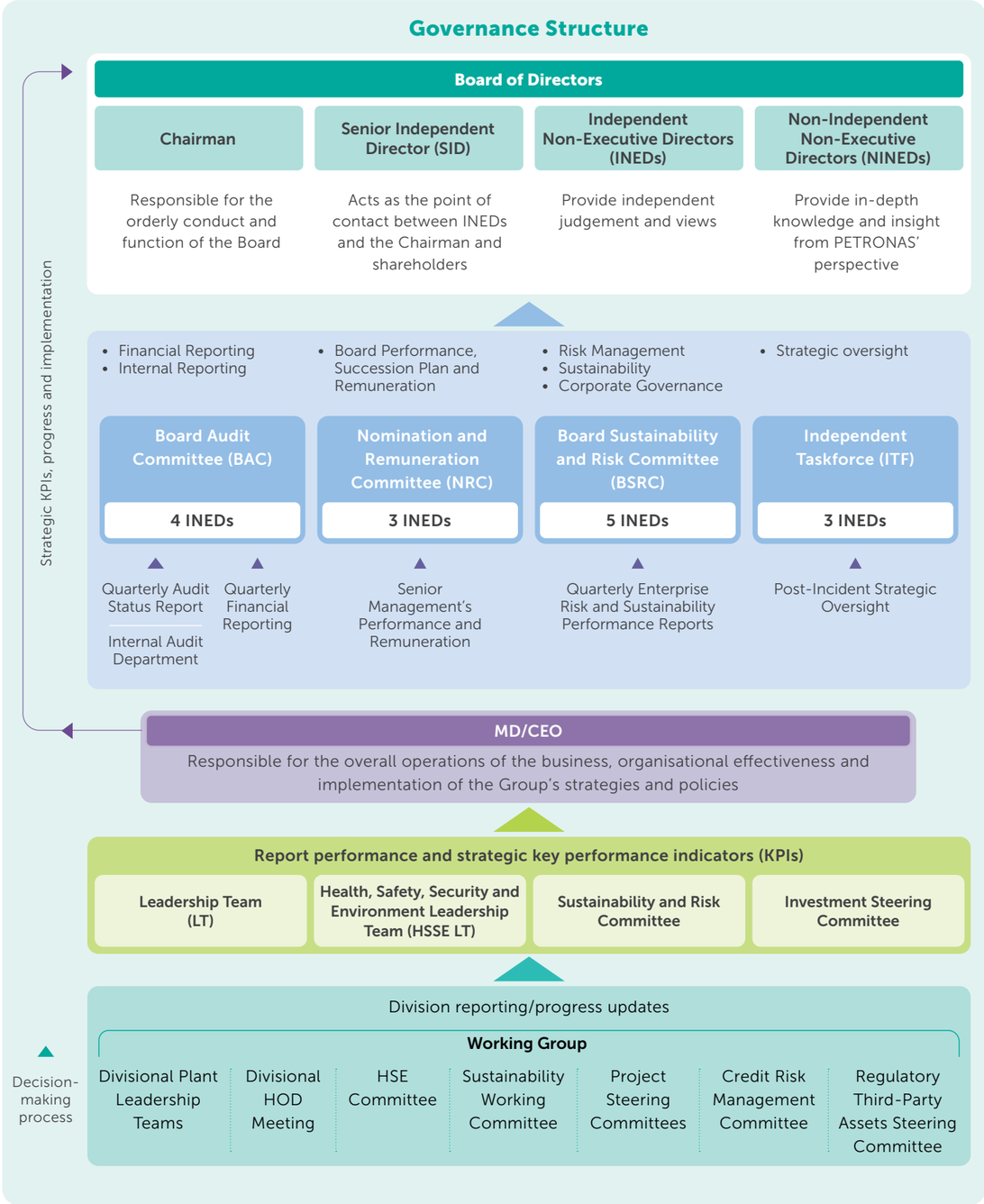
The Board assumes ultimate responsibility for the overall stewardship of the Group, ensuring that its strategy and performance are guided by principles of good governance. It promotes a culture of openness and accountability in the boardroom and across the organisation, fostering trust among shareholders, employees and other stakeholders.

PGB's governance structure is designed to integrate the Group's sustainability and growth objectives with sound risk management and internal control practices. While operational autonomy is accorded to the various subsidiaries and business units, appropriate checks and balances are in place to ensure consistency with the Group's values and strategic direction.

Within a clearly defined governance framework, the Board delegates specific functions to its Board Committees and Management Committees to enhance effectiveness and oversight, while retaining overall accountability for the Group's performance and conduct. The respective roles and responsibilities of these committees are set out in their Terms of Reference (TOR), which are reviewed periodically to reflect regulatory developments and governance best practices.

The effectiveness of the Board is supported by a clear division of responsibilities between the Chairman, Managing Director/Chief Executive Officer (MD/CEO) and the Board Committees, ensuring a balance between leadership, oversight and independent challenge in line with the MCCG 2021.

The following section provides an overview of the Group's governance structure, including key Board Committees and Management Committees established to support the Board in discharging its fiduciary duties.



The TOR of the Board Committees are accessible to the public on the Company's corporate website at www.petronas.com/pgb.

Corporate Governance Overview Statement

How the Board Operates

Our Board Charter

The Board operates under the provisions of a comprehensive Board Charter, which sets out its roles, responsibilities and governance framework. This charter serves as a primary reference point to guide the Board in discharging its oversight duties effectively, in line with applicable laws, regulations and best practice standards.

The Board Charter defines the respective responsibilities of the Board, Chairman and MD/CEO, and addresses key governance areas such as Board appointments, succession planning, the establishment of Board Committees, stakeholder engagement and risk management. By providing clear lines of authority and accountability, the Charter promotes effective decision-making and consistent governance across all levels of the organisation.

To maintain relevance and alignment with evolving regulatory developments, the Charter is subject to periodic review and refinement. Updates are made as necessary to reflect changes in laws, regulations and best governance practices. For transparency, the Board Charter and the TOR for key Board Committees are available on the Group's corporate website at www.petronas.com/pgb.

Board Leadership

The Board is responsible for the long-term success of the Group and ensures that its affairs are conducted responsibly, transparently and effectively. Each Director acts in good faith and in the best interests of the Company, acknowledging their collective and individual responsibilities to shareholders and stakeholders alike.

Through active oversight and strategic direction, the Board provides leadership to management, ensuring that the Group operates prudently, ethically and sustainably. The Board is satisfied that it has effectively discharged its responsibilities throughout the year under review within a robust governance framework.

In driving sustainable value creation, the Board is committed to embedding Environmental, Social and Governance (ESG) considerations into its decision-making processes. This integration ensures that the Group's strategies not only achieve financial objectives but also contribute positively to the wider community and environment.

Roles and Responsibilities of the Board

In fulfilling its fiduciary and leadership duties, the Board's principal roles encompass the following areas:

1 Policy Development and Governance

- Ensuring that appropriate corporate policies are established, adopted and periodically reviewed to respond to evolving business and regulatory environments

2 Accountability to Stakeholders

- Acting in the best interests of shareholders while considering the broader impact of corporate decisions on employees, customers, suppliers, local communities and other stakeholders in jurisdictions where PGB operates

3 Risk Management and Internal Control

- Reviewing and approving financial statements to ensure accuracy, transparency and integrity
- Overseeing the management of principal risks and maintaining an effective internal control system consistent with applicable laws and industry standards
- Ensuring a robust succession planning framework for the Board and Leadership Team to promote business continuity and organisational resilience
- Overseeing the implementation of investor relations and shareholder communication programmes to strengthen engagement and transparency

4 Strategic Oversight

- Reviewing, approving and monitoring the Group's strategic and operational plans, encompassing financial performance targets, human capital development, risk management and governance of sustainability

These responsibilities are clearly articulated in the Board Charter, which provides a structured governance framework to ensure accountability, transparency and long-term value creation for the Group and its stakeholders.

Board Balance and Composition

The Board comprises nine members, consisting of one Executive Director, who serves as the MD/CEO, and eight Non-Executive Directors (NEDs). This composition provides an effective balance between executive leadership and independent oversight, enabling the Board to exercise sound judgement and uphold the highest standards of governance and accountability.

During the year, four new Directors were appointed: Datuk Dr Yatimah (replacing Datuk Yeow Kian Chai), Lim Li Ping (replacing Cik Marina Md Taib), Izwan Ismail (replacing Puan Hasliza Othman) and Yusa' Hassan.

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

To promote balanced decision-making and safeguard shareholders' interests, the Board maintains a composition that emphasises independence. As at 31 December 2025, the INEDs represented 56 per cent of the Board, an improvement from 50 per cent in 2024. This enhanced level of independence reflects the Board's continued commitment to upholding strong governance practices and demonstrates full adherence to Practice 5.2 of the MCCG 2021, which advocates majority independent representation for large companies.

To safeguard the integrity and effectiveness of governance, the Board has instituted the following measures:

- **SID:** A SID serves as a sounding board for the Chairman and acts as an intermediary for INEDs, ensuring that their views are effectively represented.
- **Independent Board Committees:** All Board Committees comprise solely INEDs, reinforcing objective oversight and decision-making.
- **Independent Leadership:** Each Board Committee is chaired by an INED to strengthen independent governance.
- **Audit Oversight:** The BAC, made up entirely of INEDs, reviews all Related Party Transactions (RPTs) before they are submitted for Board approval. To preserve transparency and protect minority shareholders' interests, Directors with any interest in a transaction abstain from deliberation and voting on the matter.

Board appointments are based on individual merit, experience and expertise. Collectively, the Directors possess a diverse range of competencies and industry knowledge that enable them to provide effective oversight and strategic direction. The NRC plays a pivotal role in ensuring that the Board maintains an optimal mix of skills, experience, business acumen and diversity, including considerations of age, gender and background, to promote inclusive perspectives and informed decision-making.

NEDs bring independent thought and professional insight to Board discussions, challenging management constructively to ensure that decisions are well-considered and aligned with the long-term interests of shareholders and stakeholders.

In accordance with Paragraph 15.06 of the MMLR, no Director holds more than five directorships in listed issuers. Directors are also required to notify the Chairman prior to accepting any new external board appointments to ensure their time commitments remain appropriate and do not compromise their ability to discharge their responsibilities effectively. The Board also confirms that no Director has appointed an alternate.

PG *The profiles of each Director, including their qualifications, experiences and directorships, are presented on pages 80 to 88 of this Integrated Report.*

Corporate Governance Overview Statement

Separate Roles of the Chairman, Managing Director/Chief Executive Director and Senior Independent Director

The roles of the Chairman and the MD/CEO are clearly defined and separated to preserve a balance of authority and accountability at the top of the organisation. This distinction ensures that no single individual holds unfettered decision-making power, thereby promoting effective governance and sound oversight.

The **Chairman** is primarily responsible for leading the Board and ensuring its effectiveness in all aspects of its role. This includes promoting a culture of open dialogue, encouraging constructive debate and ensuring that decisions are taken in the best interests of shareholders and stakeholders. The Chairman also facilitates effective communication between the Board and management, ensuring that the Board receives timely, accurate and clear information to support well-informed decisions.

The **MD/CEO**, on the other hand, is accountable for the overall management and performance of the Group. He is responsible for executing the strategic direction approved by the Board, managing day-to-day operations and ensuring that the organisation operates efficiently, responsibly and sustainably. The MD/CEO leads the LT, which oversees the Group's divisions and functions to ensure the effective delivery of strategic objectives and operational excellence.

Given the Group's close integration with PETRONAS, the Chairmanship is held by a Non-Independent Non-Executive Director, reinforcing strategic alignment with the wider PETRONAS Group's long-term objectives. This arrangement recognises the differing expectations and stakeholder engagements associated with the roles of Chairman and MD/CEO, while ensuring that the Board retains independence and robust oversight through its composition and committee structure.

The **SID** serves as an additional point of balance within the governance framework. Acting as a conduit between the Chairman and the Independent Directors, the SID provides independent counsel to the Chairman and ensures that the perspectives of the Independent Directors are fully considered. The SID is also available to shareholders as an alternative channel of communication, should the need arise.

Together, this tripartite leadership structure promotes clarity in responsibilities, enhances accountability and strengthens the overall effectiveness of governance within the Group.

Roles of the Chairman

Datuk Adif Zulkifli
Chairman

a. Leading the Board in setting the values and ethical standards of PGB
b. Chairing 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 a liaison between the Board and Management, and between the Board and the MD/CEO

The profile of the Chairman is presented on page 80 of this Integrated Report.

Roles of Managing Director/Chief Executive Officer

Abdul Aziz Othman
Managing Director/Chief Executive Officer

I. Responsibilities to the Board and PGB:

a. Developing and recommending to the Board long-term strategies and vision for PGB and/or the Group that lead to the creation of long-term prosperity and stakeholder value
b. Developing and recommending to the Board operational plans and budgets that support PGB's and/or Group's long-term strategy
c. Fostering a corporate culture that promotes ethical practices, encourages individual integrity and the fulfilment of PGB's corporate social responsibilities
d. Maintaining a positive and ethical working environment that is conducive to attracting, retaining and motivating a diverse workforce at all levels

II. Responsibilities to the Management and business operations:

a. Recommending suitable management structure and operating authority levels, which include delegations of responsibilities to the Management
b. Ensuring an effective LT below the level of the MD/CEO and to develop an appropriate succession plan
c. Formulating and oversee implementation of major corporate policies
d. Being accountable to the Board for financial management and reporting, including forecasts and budgets of PGB
e. Reporting to the Board periodically on the Company's financial positions and results, KPIs, market conditions and business development
f. Ensuring continuous improvement in quality and value of PGB's products and services
g. Serving as spokesperson for PGB
h. Referring to the Board Committee on matters as requested from time to time

The profile of the Managing Director/Chief Executive Officer is presented on page 81 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 at www.petronas.com/pgb.

Corporate Governance Overview Statement

Roles of the Senior Independent Director

Farina Farikhullah Khan
Senior Independent Director (SID)

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 82 of this Integrated Report.

Separation of Powers Between the Board and Management

A clear distinction is maintained between the roles of the Board and Management to preserve effective oversight, accountability and operational efficiency across the Group. This separation of powers ensures that strategic direction and supervisory responsibilities rest with the Board, while the day-to-day management of operations is delegated to the MD/CEO and the LT.

The MD/CEO is supported by the LT and several key management committees, including the HSSE LT, the Sustainability and Risk Committee and the Investment Steering Committee. These committees function as advisory bodies, providing the MD/CEO with regular insights and recommendations on matters relating to operational performance, risk management, sustainability and investment decisions.

The LT plays a central role in implementing robust systems and controls, optimising resource allocation and executing the strategic and operational plans approved by the Board. It ensures that business activities are carried out in alignment with the Group's long-term objectives, performance targets and values of integrity and accountability.

To maintain transparency and effective governance, monthly performance reports and strategic KPIs are submitted to the MD/CEO by the respective committees. These reports enable continuous monitoring of progress against strategic priorities, allowing for early identification of challenges and timely intervention.

In addition, dedicated working groups within the business units provide regular updates on the status of key initiatives, ensuring that all strategic programmes remain on course and are implemented in accordance with the Board's approved direction. This structured approach strengthens coordination between management and the Board, reinforcing a culture of responsibility, transparency and performance-driven governance throughout the Group.

Board Diversity

The Board recognises diversity as a vital contributor to effective governance and decision-making. A diverse Board brings together a broad range of perspectives, experiences and skills, which enhances the quality of discussions, strengthens oversight and improves strategic outcomes. PGB's Board Diversity Policy ensures that diversity encompassing age, gender, professional background, skills and experience remains a key consideration in all Board appointments and succession planning activities.

This commitment to diversity enhances the Board's collective capability to provide strong stewardship and to drive sustainable, long-term value creation. It also supports the Group's relevance and resilience in an evolving business environment marked by rapid technological, social and regulatory change.

In line with the national target of achieving at least 30 per cent female representation on boards, PGB currently has three women Directors, representing 33 per cent of the Board. This achievement exceeds the expectations outlined under Practice 5.9 and Practice 5.10 of the MCCG 2021, underscoring the Board's commitment to gender balance and inclusivity.

The NRC undertakes an annual review of the Board's composition and performance, including the assessment of potential candidates for Board appointments. Diversity remains an integral consideration in this process to ensure that the Board retains a balanced composition with the right mix of expertise, perspectives and leadership attributes.

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

- Reviewing succession plans with a strong emphasis on diversity considerations
- Defining clear selection criteria to guide the recruitment and appointment process
- Ensuring that the candidate pool actively includes diverse individuals, including women
- Assessing the Board's overall diversity in terms of gender, age, skills, experience and expertise, and addressing any identified gaps.

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

Independence

The Board places significant importance on the role of INEDs in upholding strong corporate governance. While all Directors, regardless of status, are expected to act with integrity and in the best interests of the Company, INEDs provide an additional layer of independent judgment, ensuring that Board decisions are fair, objective and free from undue influence.

The Board currently comprises five INEDs, all of whom meet the established criteria for independence. Specifically:

- They are independent of Management and free from any business or other relationships that could compromise their ability to exercise sound and impartial judgment.
- They do not participate in day-to-day operations, unless expressly authorised by the Board, thereby safeguarding their independence and oversight role.
- They are required to declare any interests or potential conflicts of interest prior to Board meetings. Meeting materials are distributed at least five business days in advance to allow adequate time for review and for any necessary declarations to be made. Where a conflict arises, the affected Director abstains from deliberation and voting to ensure the integrity and objectivity of the decision-making process. This practice equally applies to NINEDs.

During the financial year 2025, the Board confirmed that none of the INEDs had any relationships or conflicts of interest that could, or could be perceived to, impair their independence or judgement.

In line with the MCCG 2021, the Company has adopted a nine-year tenure limit for INEDs, beyond which their continued service requires shareholder approval and a rigorous assessment of independence. As at the date of this report, none of PGB's INEDs have exceeded the nine-year tenure threshold.

To further strengthen governance integrity and ensure alignment with the MMLR of Bursa Malaysia, the Company has instituted a three-year cooling-off period for specific individuals, including former officers, advisers or transacting parties of the Company or its related corporations, prior to their appointment as INEDs. This enhanced requirement, which is similarly applied to NINEDs under the Board Succession Planning Framework, reinforces the Board's commitment to upholding the highest standards of independence, transparency and governance integrity.

Corporate Governance Overview Statement

Board Appointment Process

The Board appointment process is summarised in the chart below:

Process Flow for the Appointment of a Director

- Circumstances giving rise to the appointment of Directors
- Develop and deliberate selection criteria, combining competencies and attributes required
- Search for candidates
- Assess and shortlist the potential candidates in consultation with the NRC
- Perform background check/fit and proper criteria
- Interview shortlisted candidates/consultation with the Chairman of the Board
- Assess actual conflict of interest (COI), perceived or potential COI, including proposed mitigation measures
- Deliberation by the NRC on the suitability of the candidate
- PGB Board approval
- Orientation/Induction
- Continuous training and annual performance assessment

PGB upholds a formal, rigorous and transparent process for the appointment of new Directors to ensure that the Board's composition continues to reflect the appropriate balance of skills, experience, diversity and governance standards.

The nomination of NINEDs is undertaken by PETRONAS, the majority shareholder of PGB, while INEDs may be nominated by existing Board members or identified through a professional recruitment firm. This dual approach ensures that all potential candidates are selected on merit and in alignment with the Group's long-term strategic priorities.

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

Prior to any recommendation for appointment, the Company Secretary conducts comprehensive background and due diligence checks, including verification of financial standing, character and integrity. The BAC concurrently reviews any potential COI that may arise from the appointment.

All nominations are subject to an initial evaluation by the NRC, which assesses the candidate's professional competencies, industry experience, personal integrity and leadership attributes. The NRC also considers the time commitment required for the effective discharge of directorial duties. In line with PGB's commitment to diversity, the selection process ensures a balanced representation of gender, age and expertise on the Board.

Directors' Re-election

To promote accountability, continuity and good 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 practice ensures that every Director stands for re-election at least once every three years.

Retiring Directors remain in office until the conclusion of the AGM, whether adjourned or otherwise, and are eligible for re-election subject to Board approval. The NRC reviews the list of Directors scheduled for rotation and re-election, before recommending to the Board. Directors standing for re-election are required to provide their consent prior to the Board's deliberation.

The NRC evaluates each Director seeking re-election based on their competence, commitment, contribution and performance, as assessed through the Board Effectiveness Evaluation (BEE). The NRC also determines whether the Directors continue to satisfy the fit and proper standards set out in the Directors' Fit and Proper Policy, ensuring that all Board members possess the integrity, capability and judgement required to act in the best interests of the Company and its stakeholders.

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

At its meeting on 24 February 2026, 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 43rd AGM. Each of these Directors, except Datuk Mark Victor Rozario, has confirmed their consent to stand for re-election at the AGM:

Article 100 of the Company's Constitution:
- Datuk Dr Yatimah Sarjiman
- Lim Li Ping
- Yusa' Hassan
- Izwan Ismail

Article 107 of the Company's Constitution:
- Abdul Aziz Othman
- Datuk Mark Victor Rozario

Board Meetings and Attendance

The Board convenes at least quarterly, with additional meetings held as necessary, to deliberate on urgent or significant matters. For the financial year under review, the schedule of all Board, Board Committee and General Meetings was determined in advance in November 2025, enabling Directors to plan their commitments accordingly and ensure full participation.

Where decisions were required between scheduled meetings, the Board exercised its authority through Special Board meetings and written circular resolutions. However, written circular resolutions were limited strictly to procedural or administrative matters, with all substantive or strategic decisions reserved for formal deliberation at Board meetings.

A structured schedule of matters reserved for the Board is maintained to ensure clarity in oversight and accountability. These matters include the approval of corporate strategies, annual budgets, financial and operational performance reviews, major investments, risk management, management performance assessments, and key policies and governance controls. Members of the LT are invited to Board meetings, as appropriate, to present updates, proposals and progress reports relevant to their respective areas of responsibility.

All proceedings are accurately recorded, with minutes duly documented and maintained by the Company Secretary. This ensures that all Board decisions are properly captured and that the rationale behind key resolutions is transparently preserved.

Reflecting evolving business practices, the Board has adopted a hybrid approach for certain engagements, including strategic discussions, financial reviews and high-level governance deliberations. This approach combines in-person and virtual participation, enhancing flexibility and efficiency while preserving the quality of oversight. Notwithstanding this flexibility, the Board accords priority to physical meetings to facilitate more effective deliberation and engagement. Directors who are unable to attend in person are required to seek the Chairman's prior approval to participate virtually, ensuring that the integrity of Board proceedings and the standards of governance are maintained.

During the financial year, the Board held 11 meetings, supplemented by written circular resolutions for time-sensitive matters. Directors demonstrated a high level of engagement and contribution, fostering robust and constructive discussions that supported well-informed decision-making in the best interests of the Company and its stakeholders.

All Directors satisfied the minimum attendance requirement of 50 per cent as prescribed under the MMLR of Bursa Malaysia. Overall attendance across the Board was nearly 100 per cent, underscoring the Directors' strong commitment to effective governance, accountability and stewardship. The Board is satisfied with the level of dedication and diligence demonstrated by its members throughout the year.

The attendance record of each Director at Board meetings, Board Committee meetings and the 42nd AGM during the year under review is detailed below:

Name of Director	BOD	BAC	NRC	BSRC	ITF	AGM
Datuk Adif Zulkifli	11/11					1/1
Abdul Aziz Othman	10/11					1/1
Farina Farikhullah Khan	11/11	8/8	5/6	5/6	6/6	1/1
Datuk Mark Victor Rozario	11/11	8/8	6/6	6/6		1/1
Sujit Singh Parhar s/o Sukhdev Singh	11/11		3/3	6/6	6/6	1/1
Datuk Dr. Yatimah Sarjiman	6/6	6/6		4/4		
Yusa' Hassan	5/5	3/3		3/3	4/4	
Lim Li Ping	6/6					
Izwan Ismail	1/1					

Corporate Governance Overview Statement

In 2025, the Board and its Committees devoted a total of approximately 115 hours 46 minutes in discharging their fiduciary duties and oversight responsibilities.

approximately

115 hours

46 minutes

Board	44 hours 5 minutes
Board Committees	24 hours 11 minutes
BSC	9 hours 5 minutes
Board Committees	13 hours 20 minutes
Board Committees	16 hours 35 minutes
Board Committees	8 hours 30 minutes

Note: BSC = Board Strategic Conversation

Board Committees

To support the effective discharge of its duties, the Board has established several Board Committees, each operating within clearly defined TOR. These Committees play a vital role in enhancing governance efficiency by providing focused oversight in their respective areas of responsibility, enabling the Board to maintain a strategic and well-informed approach to decision-making. The Committees regularly review matters within their mandates — encompassing audit and risk management, sustainability, remuneration and nomination functions — and submit their findings and recommendations to the Board for deliberation and approval.

Additionally, following the incident on 1 April 2025 involving the Peninsular Gas Utilisation pipeline in Putra Heights, Puchong, Selangor, the Board took prompt steps to safeguard shareholders' interests and address potential financial and legal implications arising from the incident. To support these objectives and to restore public confidence, the Board established an ITF on 18 April 2025 to provide strategic oversight of the incident, including its operational, regulatory and reputational impacts, as well as appropriate response and preventive measures.

The ITF comprises three INEDs, reflecting the Board's emphasis on objectivity and independence in oversight of the review and response process. The ITF is a special-purpose body and not a permanent Board Committee, having been constituted solely to oversee matters relating to the Putra Heights incident.

Each Committee Chair reports to the Board on key matters discussed and recommendations made, ensuring transparency and continuity between Committee deliberations and Board oversight.

PG *Further details on the composition, responsibilities and activities of the BAC, BSRC and NRC are provided on pages 119 to 142 of this Integrated Report.*

Board Strategic Conversation

In addition to its scheduled meetings, the Board held a dedicated BSC with the LT on 3 September 2025. This session provided a valuable platform for in-depth engagement on strategic priorities, key business developments and emerging challenges.

The discussions focused on reviewing the external operating environment, assessing market trends and exploring opportunities for growth and innovation. Through this forum, the Board and Management exchanged insights on the Group's long-term strategic direction, reaffirming PGB's commitment to sustainable value creation and resilience in a dynamic energy landscape.

Supply and Access to Information

The Board recognises that well-informed decision-making depends on the timely and accurate provision of relevant information. To this end, comprehensive Board papers and meeting materials, including detailed agendas, management reports and supporting analyses, are circulated to all Directors at least five business days prior to each meeting.

This advance distribution allows Directors ample time to review materials, seek clarification from Management or the Company Secretary and prepare for meaningful discussions. Directors may also propose additional agenda items, while urgent matters can be included under "Any Other Business", subject to the joint approval of the Chairman and the MD/CEO.

Board papers are designed to provide clear and concise information on each topic, including the objectives, context, key issues, implications, associated risks, alignment with strategic priorities and recommendations for Board consideration. Where necessary, members of Management and external advisers are invited to present updates or provide professional insights to assist the Board in its evaluation of complex or material matters.

To enhance accessibility and efficiency, Directors are provided with secure access to an online collaborative platform that hosts all relevant Board documents and materials. This system facilitates seamless review, communication and engagement among Directors and the Company Secretary, ensuring continuous access to critical information while maintaining confidentiality.

Directors also have unrestricted access to Management and all relevant information pertaining to the Group's operations to enable the effective discharge of their responsibilities. They may seek guidance from the Company Secretary on statutory, regulatory and governance matters, and, where necessary, obtain independent professional advice at the Company's expense to assist them in performing their duties objectively and effectively.

Overview of Various Agenda Items on the Board and Board Committee Meetings in 2025

January	
NRC	• 2025 PGB MD/CEO Scorecard (H) • Training programmes attended by Directors in 2024 and proposed trainings/conferences for Directors for the financial year 2025 (C) • Proposed Changes to the Board Composition of PGB (C) • Planned agenda items for 2025 (C)
February	
NRC	• Revision of Manpower Cost for PGB's MD/CEO (H) • PGB MD/CEO Direct Reports Scorecards 2025 (H) • Proposed Revision to Directors' Remuneration Framework and Directors' Remuneration Package for Non-Executive Directors (C) • Integrated Report 2024: Nomination and Remuneration Committee Report (C) • Re-election of Directors at PGB's 42nd Annual General Meeting and Retirement of Directors (C) • Changes to Board of Directors (C) • Board Effectiveness Evaluation Report for the year ended 31 December 2024 (C)
BAC	• Financial Results and Performance Review and Audited Financial Statements for the year ended 31 December 2024 (F) • KPMG Presentation on PGB Group Audit Status for the year ended 31 December 2024 (F) • Private Session between KPMG and BAC (F) • Status Update on Recurrent Related Party Transactions (RRPTs) as at 31 December 2024 (C) • Review on COI for Appointment of New Directors (C) • Integrated Report 2024: BAC Report and Statement on Risk Management and Internal Control (SORMIC) (C) • Internal Audit Performance Status as at 31 December 2024 (R) • Declaration on the Organisational Independence of the Internal Audit Activity (R) • Proposed PGB Internal Audit Balanced Scorecard for 2025 (R) • Deliberation on Audits and its related activities (R)
BSRC	• Strategic Business Discussions (S) • PGB Enterprise Risk Report (ERR) and Risk Appetite updates (R) • Intellectual Property Policy Statement for Technology (C) • Q4 FY2024 Sustainability Updates (SS) • Integrated Report for Financial Year 2024: Corporate Governance Overview Statement, BSRC Report and Statement on Risk Management and Internal Control (C) • Planned Agenda Items for FY2025 (C)
Board	• Strategic Business Discussions (S) • Financial Results and Performance Review and Audited Financial Statements for the financial year ended 31 December 2024 (F) • Revision of Manpower Cost for PGB's MD/CEO (H) • Corporate Governance (CG) Report for the Financial Year 2024 (C) • PGB Integrated Report and Sustainability Report for Financial Year 2024 (FY2024) (C) • Convening of the Company's 42nd Annual General Meeting, Proposed Re-election of Directors (C) • Board Effectiveness Evaluation Report for the year ended 31 December 2024 (C) • Proposed Revision to Directors' Remuneration Framework and Directors' Remuneration Package for Non-Executive Directors (C) • Planned Agenda Items for FY2025 (C)

Notes: (C) Corporate Governance and Compliance (F) Financial (H) Human Capital Development (R) Risk and Internal Control (S) Strategy (SS) Sustainability

Corporate Governance Overview Statement

April	
NRC	• Appointment of New Director and Revision of Board Committees of PETRONAS Gas Berhad (C)
BAC	• Review on Conflict of Interest for Appointment of New Director (C)
Board	• Strategic Business Discussions (S) • Establishment of Independent Taskforce (C) • Update on 42nd AGM (C) • Change of Board and Board Committees Composition (C)

May	
NRC	• Appointment of New Director and Revision of Board Committees of PETRONAS Gas Berhad (C)
BAC	• Review on Conflict of Interest for Appointment of New Director (C) • PGB Group Financial Results and Performance Review for the Quarter Ended 31 March 2025 (F) • Status Update on Recurrent Related Party Transactions as at 31 March 2025 (C) • Appointment of KPMG PLT (KPMG) for Non-Audit Assurance Services (F) • Audit and its related matters (R) • PGB Internal Audit Charter (R) • PGB Internal Audit Performance Status as of 31 March 2025 (R) • Strategic Business Discussions (S)
BSRC	• Strategic Business Discussions (S) • PGB Risk Appetite Updates and Enterprise Risk Report (R) • PGB Human Rights Policy (C) • Q1 FY2025 Sustainability Updates (SS)
ITF	• Post-Incident Strategic Oversight (R)
Board	• Financial Results and Performance Review for the Quarter Ended 31 March 2025 (F) • Strategic Business Discussions (S) • PETRONAS Intellectual Property Policy Statement for Technology (C) • PGB Human Rights Policy (C) • Change of Company Secretary (C) • PGB 2025 Enterprise Risk Profile (ERP) – Change in Risk Profile (R) • Resignation of Director (C)

June	
Board	• Strategic Business Discussions (S)

July	
ITF	• Post-Incident Strategic Oversight (R)

August	
NRC	• 2025 Mid-Year Performance Review for PGB MD/CEO and Direct Reports (H) • Appointment of Non-Independent Non-Executive Director (C)
BAC	• Financial Results and Performance Review for the Quarter Ended 30 June 2025 and Supplementary Budget Paper (F) • Strategic Business Discussions (S) • Status Update on Recurrent Related Party Transactions as at 30 June 2025 (C) • PGB Management Framework Proposal (C) • Review on Conflict of Interest for Appointment of New Director (C) • Audit and its related matters (R) • PGB Internal Audit Performance Status as of 30 June 2025 (R)

Notes: (C) Corporate Governance and Compliance (F) Financial (H) Human Capital Development (R) Risk and Internal Control (S) Strategy (SS) Sustainability

BSRC	• PGB Risk Appetite and Enterprise Risk Report (ERR) Updates (R) • Q2 FY2025 Sustainability Updates (SS)
ITF	• Post-Incident Strategic Oversight (R)
Board	• Strategic Business Discussions (S) • Financial Results & Performance Review for the Quarter Ended 30 June 2025 and Supplementary Budget (F) • PGB Capital Expenditure (CAPEX): Supplementary Budget (F) • Appointment of Director (C) • Change of Company Secretary (C)

September	
ITF	• Post-Incident Strategic Oversight (R)
Board	• Strategic Business Discussions (S)

October	
Board	• New Assurance Operating Model and New PGB Internal Audit Structure (R)

November	
NRC	• Appointment of External Independent Consultant to conduct Board Effectiveness Evaluation for the year 2025 (C) • PGB Board Succession Planning (H) • Strategic Business Discussions (S)
BAC	• Financial Results and Performance Review for Quarter Ended 30 September 2025 (F) • Status Update on Recurrent Related Party Transactions as at 30 September 2025 (C) • Statutory Audit Fees for Year 2026 to 2028 (F) • Audit plan for the year ending 31 December 2025 (F) • PGB Management Framework Proposal (C) • Strategic Business Discussions (S) • Deliberation on Audit and its related matters (R) • PGB Internal Audit Performance Status as of 30 September 2025 (R) • PGB Internal Audit Balanced Scorecard Update (R) • Three-year Rolling Strategic Audit Plan and Three-year Digital Initiatives Plan for 2026–2028 (R)
BSRC	• PGB 2026 Enterprise Risk Profile (ERP) and Risk Appetite Revision (R) • PGB Risk Appetite and Enterprise Risk Report (R) • Q3 FY2025 Sustainability Updates (SS) • Strategic Business Discussions (S)
ITF	• Post-Incident Strategic Oversight (R)
Board	• Strategic Business Discussions (S) • Financial Results and Performance Review for the Quarter Ended 30 September 2025 (F) • PGB Business Plans 2026–2030 and Budget 2026 (F) • PGB Management Framework Proposal (C) • PGB 2026 Enterprise Risk Profile and Risk Appetite Revision (R) • PGB Board Succession Planning (H) • Attendance Allowance for Independent Taskforce (C)

Notes: (C) Corporate Governance and Compliance (F) Financial (H) Human Capital Development (R) Risk and Internal Control (S) Strategy (SS) Sustainability

Corporate Governance Overview Statement

Sustainability

PGB's commitment to sustainability is articulated in its 2025 Sustainability Report, published as a standalone document. The report provides a comprehensive account of the Group's ongoing efforts to integrate sustainable practices across its operations and value chain. It highlights key initiatives designed to enhance organisational resilience, strengthen long-term competitiveness and address evolving stakeholder expectations on ESG matters.

The Sustainability Report also details the Group's sustainability framework, strategic priorities and performance commitments, reflecting PGB's proactive approach to responsible business conduct and its aspiration to deliver enduring value to stakeholders.

Directors' Indemnity

In accordance with the CA 2016, PGB maintained an indemnity arrangement for its Directors throughout the financial year, subject to the insurability limits provided under the Directors' and Officers' Liability Insurance (D&O) policy. This indemnity safeguards Directors against liabilities incurred in the course of discharging their duties and responsibilities, provided such liabilities do not arise from wilful misconduct, negligence or breach of fiduciary duty.

Directors may also obtain additional D&O insurance at their own discretion to extend coverage beyond that provided by the Company or in instances where the Company's policy does not apply. The insurance premium is determined by the appointed insurance provider.

Succession Planning

To ensure continuity of leadership and effective governance, the Board has implemented a structured Board Succession Planning Framework to guide the identification, evaluation and selection of NEDs. This framework facilitates an orderly transition in response to planned retirements, Board expansion, or other circumstances necessitating new appointments.

The NRC oversees the implementation of this framework, ensuring that the Board maintains an optimal composition in terms of skills, experience and independence to meet the evolving strategic needs of the Group. The NRC also reviews the tenure of INEDs and evaluates the overall balance of expertise across the Board.

Beyond Board-level succession, the NRC is responsible for overseeing succession planning for the MD/CEO and the LT. The NRC conducts periodic reviews of the leadership pipeline to ensure the availability of capable and experienced internal candidates for key executive positions. The NRC remains confident in the strength of the internal talent pool while retaining the flexibility to identify and recruit external candidates for critical leadership roles where necessary.

Onboarding and Continuing Development Programme for Directors

PGB recognises that continuous learning is essential to maintaining an effective and forward-looking Board. All newly appointed Directors participate in a structured induction programme designed to familiarise them with the Group's operations, governance framework, risk management processes, internal controls and strategic objectives. The programme, led by members of the Leadership Team, also includes briefings on innovation, technology and major ongoing or upcoming projects.

During the year under review, onboarding programmes were conducted for Datuk Dr Yatimah Sarjiman, Lim Li Ping, Yusa' Hassan and Izwan Ismail, following their appointment as NEDs. In addition, 67 per cent of the Directors completed the Mandatory Accreditation Programme (MAP) II in accordance with the requirement of the MMLR of Bursa Malaysia. The remaining Directors, who were appointed during the year, are required to complete MAP II within the prescribed 18 month timeframe from their respective dates of appointment.

In compliance with Paragraph 15.08 of the MMLR, Directors actively participate in the professional development activities to remain abreast of regulatory changes, emerging trends and global best practices in corporate governance. These activities include attending conferences, seminars and training programmes covering a wide spectrum of topics such as financial management, governance, risk oversight, sustainability and industry developments.

Members of the BAC also attended specialised training on accounting and auditing standards during the year, in line with the expectations of the MCCG 2021. This continuous development reinforces the Board's collective expertise, ensuring that Directors are well-equipped to discharge their fiduciary duties effectively and contribute to informed, independent and accountable governance.

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 disclosed in the CG Report 2025, which is available on the Company's corporate website at www.petronas.com/pgb.

The Board's 2025 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 Area	Description
Strategy	Group Strategic Initiatives and Plans	The Board deliberated on long-term strategic options and provided the relevant feedback and steering.
	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 its deliberation. The Board deliberated the risks and 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 a Quarterly Basis	The Business Performance Report is a mandatory report at the quarterly Board meetings. Performance is measured and monitored against the Board-approved KPIs. On a quarterly basis, the Board is updated on the performance against the approved Business Performance targets.
	Interim Dividends	The Board considered and approved the proposal for the declaration of Interim Dividends.
Risk and Internal Controls	Oversight of Principal Risks	The Board deliberated and approved PGB's principal risks that may significantly impact PGB business goals and targets. The Board continuously monitors the agreed mitigations to manage or reduce the likelihood and impact of these risks. Key risk indicators, which provide early warnings of potential risk manifestation, are reported to the Board. To ensure that risks undertaken in pursuit of business objectives remain within acceptable levels, the Board approved PGB's risk appetite, which sets key operational boundaries. Any breach of the approved risk appetite, which may jeopardise PGB's business sustainability, is escalated to the Board for deliberation. In achieving comprehensive risk-based decision-making, the Board also deliberated on risks associated with high-impact business matters, including projects' Final Investment Decisions, to assess the feasibility and commerciality of such projects and investments.
Sustainability	Internal Performance and Development	The Board, assisted by BSRC, deliberated PGB's sustainability strategy and ensured that it aligned with the Company's overall business strategy. The sustainability performance was deliberated to ensure PGB's sustainability agenda was implemented effectively across the four sustainability lenses. The sustainability development was steered and deliberated to ensure roadmaps and frameworks were established to facilitate the relevant initiatives were implemented successfully in alignment with our blueprint.
	External Development	All relevant acts, regulations, policies and requirements are deliberated in a timely manner to navigate the emerging risks and leverage potential opportunities.
Corporate Governance and Compliance	Adhering to and Upholding Best Corporate Governance Practices	The Board, via the BSRC, reviewed the Company's adherence to the MCCG 2021 to continue the current practice of sustaining MCCG best practices. During the year under review, the Board also approved the revision to PGB Limits of Authority (LOA) and Statement of Authority. In line with good governance best practices, a comprehensive LOA review and revision is necessary to ensure alignment with the current business requirements and any changes in the organisational structure.
	Related Party Transactions and Conflict of Interest	The Board deliberated and approved Related Party Transactions (RPTs) and Recurrent RPTs, in accordance with PGB's Guidelines and Procedures on RPTs and COI Situations, to ensure the transactions, at all times, were carried out at arm's length and not to the detriment of the minority shareholders.

Corporate Governance Overview Statement

Qualified and Competent Company Secretaries

Cik Azizahwati vacated her position as Company Secretary effective 1 January 2026 and was replaced by Azira Marini Ab Rahim, who is the Head, Corporate Secretarial of PGB.

Both the Company Secretaries of PGB, Mek Yam @ Mariam Hassan and Azira Marini Ab Rahim are qualified and experienced Company Secretaries, who fulfil the requirements set out under Section 235 of the CA 2016. They bring extensive professional expertise in corporate governance, company law and regulatory compliance.

In their advisory capacity, the Company Secretaries provide the Board with guidance on corporate governance practices, the Company's Constitution and relevant laws, regulations and codes of conduct. They play an integral role in ensuring that the Board's procedures are followed, that decisions are properly documented and that the Company remains in full compliance with statutory and regulatory obligations.

A key function of the Company Secretaries is to support the effective operation of the Board and its Committees. This includes ensuring that meeting agendas and papers are properly prepared and circulated, that proceedings are accurately recorded, and that all discussions and resolutions are duly documented in the minutes. They also monitor the implementation of Board decisions, providing updates on follow-up actions taken by Management.

In keeping with best practices, the Company Secretaries maintain continuous engagement with the Chairman, the MD/CEO and Board Committee Chairs to facilitate effective communication and governance coordination across all levels of the organisation. Keeping abreast of regulatory developments and evolving governance standards remains a key ongoing priority. The Company Secretaries actively pursue continuous professional development, attending training and development programmes throughout the year to enhance their knowledge and ensure that their advice to the Board remains relevant and robust. The trainings attended by the Company Secretaries during the financial year 2025 are disclosed in Corporate Governance Report 2025, which is available on the Company's corporate website at www.petronas.com/pgb.

Board Effectiveness Evaluation

The 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:

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

Board and Board Committees Effectiveness Evaluation 2025

For 2025, the BEE was conducted by an independent external consultant to ensure objectivity and impartiality in the assessment process. The evaluation framework covered 12 key parameters, namely Board leadership; Board composition, skills and development; Board Committees; Board governance and processes; Board agendas, meetings and information; Board dynamics and culture; Board and management relationship; Board and stakeholder engagement; Board and sustainability matters; and Board crisis management responses. It also includes two new parameters focusing on People and Culture; and Technology, Cybersecurity and Digital Oversight.

The evaluation was undertaken through a structured methodology comprising a review of relevant governance documents, comprehensive online questionnaires completed by all Directors and selected members of the Senior Management Team, as well as individual interviews, to obtain qualitative insights into Board performance, individual Director contributions, overall effectiveness and forward-looking governance priorities.

Overall, the evaluation affirmed that the Board continues to operate effectively, supported by sound governance structures and constructive Board–Management engagement.

Consistent with the Board's commitment to continuous improvement, the BEE identified opportunities to further strengthen Board effectiveness. These include deepening the strategic integration of sustainability considerations, enhancing forward-looking strategic conversations and deepening board engagement in areas such as people, talent and succession planning, as well as crisis preparedness.

The Board is committed to building on these areas of focus to further enhance its effectiveness and ensure it remains well-positioned to provide robust oversight and guide the Company's long-term strategic direction.

Directors' Remuneration

The remuneration framework for Directors at PGB is designed to align with the Company's strategic objectives and to attract, retain and motivate individuals with the necessary expertise, experience and leadership qualities. The framework provides a balanced and competitive remuneration structure that reflects market practices, regulatory expectations and the responsibilities entrusted to Directors.

PGB has established a formal and transparent Directors' Remuneration Framework, comprising retainer fees, meeting allowances and benefits in kind. The Directors' Remuneration Framework was reviewed and approved by the Board on 4 March 2025 to ensure its continued relevance and alignment with the prevailing market benchmarks. In accordance with Section 230(1) of the CA 2016, a resolution on the payment of Directors' fees, covering the period from the 42nd AGM until the next AGM, was subsequently presented to shareholders for approval.

At the 42nd AGM, shareholders also approved an increase in Directors' fees for NEDs with effect from 1 May 2025, whereby the annual fee for the Non-Executive Chairman was increased from RM288,000 to RM360,000, and the annual fee for each NED was increased from RM144,000 to RM240,000. The remuneration for NEDs will remain effective until the next Board review, subject to shareholders' approval.

		Meeting Allowance per Attendance				
	Monthly fees	Board	Board Audit Committee	Nomination and Remuneration Committee	Board Sustainability and Risk Committee	Independent Taskforce
Chairman	RM30,000	RM3,500	RM3,500	RM3,500	RM3,500	RM3,500
Member	RM20,000	RM3,500	RM3,500	RM3,500	RM3,500	RM3,500

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 to revise this practice, the Board will continue to evaluate opportunities to align with the intended outcome of the guidance in future reviews.

For NINEDs who are employees of PETRONAS, Directors' fees and meeting allowances are remitted directly to PETRONAS. The Company also reimburses all reasonable expenses incurred by Directors in the course of carrying out their official duties. A detailed breakdown of Directors' remuneration is available in the CG Report 2025, which can be accessed on the Company's website at www.petronas.com/pgb.

The remuneration package for the Executive Director comprises both fixed and performance-linked components, with the variable portion tied to specific KPIs, including the overall performance of the Group. As the MD/CEO, Abdul Aziz Othman does not receive Directors' fees or meeting allowances. For the financial year under review, he was remunerated as MD/CEO of PGB with a total amount of RM2,188,009. A detailed disclosure of the MD/CEO and Executive Director's remuneration is also provided in the CG Report 2025, accessible via the Company's corporate website at www.petronas.com/pgb.

Senior Management's Remuneration

PGB's remuneration philosophy for senior management is designed to align with best governance and market practices, ensuring a structured approach that promotes fairness, performance and accountability. The framework is crafted to attract, retain and reward high-calibre professionals while supporting the Group's long-term strategic objectives and value creation agenda.

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.

Corporate Governance Overview Statement

To maintain competitiveness, remuneration packages and incentive schemes are regularly benchmarked against relevant industry and market surveys. This ensures that PGB's remuneration structure remains aligned with market standards, reflects evolving economic conditions and supports the Group's ability to retain key talent.

For employees seconded from PETRONAS, remuneration is benchmarked against comparable roles within the industry to ensure consistency and competitiveness. In addition to remuneration, employee development programmes including training, succession planning and performance management are conducted in accordance with PETRONAS' Human Resources Policies and Strategies. The Board remains committed to ensuring that senior leadership positions are filled by individuals with the requisite expertise, experience and integrity to deliver operational and strategic excellence.

Structured in accordance with PETRONAS' Remuneration Philosophy and Guiding Principles, PGB's remuneration framework places emphasis on long-term performance, accountability and talent retention. Further details on the framework are available on the Company's corporate website at www.petronas.com/pgb.

The Company acknowledges a deviation from Practice 8.2 of the MCCG 2021, which recommends the disclosure of senior management's detailed remuneration components such as salary, bonus, benefits in kind and other emoluments. In line with the Personal Data Protection Act 2010, the PETRONAS Group, including its listed entities, does not publicly disclose individual remuneration details of senior management personnel. At present, PGB does not have alternative plans to meet this intended outcome but continues to ensure transparency through adherence to applicable disclosure and governance requirements.

Principle B: Effective Audit and Risk Management
Accountability and Audit

Financial Reporting

The Board is committed to providing a true, fair and comprehensive assessment of the Group's financial position, performance and prospects through transparent and timely financial disclosures. These include the publication of quarterly financial results, annual financial statements, the Integrated Report and other investor communications, ensuring accountability to shareholders, regulators and the wider investment community.

The Board, with the support of the BAC, exercises oversight of the financial reporting process to ensure the integrity, accuracy and completeness of disclosures. All financial statements are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and the CA 2016.

PG *The Statement of Responsibility by Directors, outlining the Directors' responsibilities in the preparation of the annual audited financial statements, can be found on page 161 of this Integrated Report.*

Related Party Transactions and Conflict of Interest Situations

The Company has established comprehensive Policies and Procedures governing RPTs and COI situations, including Recurrent Related Party Transactions (RRPTs). These policies ensure that all transactions are undertaken on an arm's length basis, conducted under normal commercial terms and in a manner that safeguards the interests of minority shareholders.

The BAC is responsible for reviewing all RPTs and COI situations that arise, persist or may arise within the Group. This includes evaluating any transactions, procedures or conduct that could raise concerns regarding management integrity, and reviewing the measures taken to eliminate or mitigate such conflicts.

To reinforce internal control and governance integrity, the Company has adopted the Guidelines and Procedures on Related Party Transactions and Conflict of Interest Situations (the Guidelines), which outline the processes for identifying, reporting and managing such matters.

PG *Further details on the Company's Policies and Procedures on RPTs and COIs, including the Guidelines, as well as its Risk Management Framework and Internal Control Procedures, are available in the Board Audit Committee Report on pages 119 to 131 and the Statement on Risk Management and Internal Control on pages 143 and 159 of this Integrated Report.*

All RPTs, including RRPTs, undertaken by the Company or its subsidiaries are subject to review by the BAC before being recommended for Board approval.

PG *A detailed disclosure of transactions with related parties is included in the Audited Financial Statements on pages 225 to 228*

Risk Management and Internal Control

The Board is fully committed to maintaining a robust and effective system of risk management and internal control. This framework is designed to identify, assess and manage key risks that could affect the achievement of the Group's strategic objectives while ensuring the safeguarding of assets and the protection of shareholder value.

The Board, through the BSRC and the BAC, continuously evaluates the adequacy and effectiveness of these systems to ensure they remain responsive to evolving business and regulatory environments. These systems provide reasonable, though not absolute, assurance that the Group's operations are effective and efficient, financial information is reliable and the Company complies with applicable laws and regulations.

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 on pages 143 to 159 of this Integrated Report.*

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders
Investor Relations and Shareholder Engagement

The Board is committed to maintaining clear, timely and accurate communication with shareholders, stakeholders and the wider public. Information on the Group's business activities and financial performance is disseminated through multiple channels, including announcements to Bursa Malaysia, updates on the corporate website, press releases, the Annual Report and, where appropriate, press conferences.

Institutional shareholders and analysts are engaged regularly via quarterly briefings led by the MD/CEO, Chief Financial Officer and Head of Investor Relations. These sessions provide insight into financial performance, operating developments and the outlook. The minutes of the 42nd AGM, together with a summary of questions and responses, are available on the Company's website.

To deepen engagement, the Company also organises periodic site visits to its facilities, providing first-hand exposure to operations and safety practices.

The corporate website, www.petronas.com/pgb, is maintained with up-to-date corporate and business information. Key disclosures—including Bursa Malaysia announcements, press statements, analyst briefing materials and quarterly financial results—are readily accessible to support transparency and ease of access.

Investors and stakeholders may submit enquiries or 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 or other stakeholders can be addressed to the SID 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 pages 68 to 70 of this Integrated Report.*

Annual General Meeting

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 32 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 42nd AGM was held on 23 April 2025 at the Taming Sari Grand Ballroom, Royale Chulan Kuala Lumpur, and was conducted as a physical meeting. The convening and conduct of the AGM complied with Paragraph 8.27A of the MMLR, which requires a listed issuer to hold its general meeting at a physical venue in Malaysia. Effective 1 March 2025, pursuant to a joint directive issued by Bursa Malaysia and the Securities Commission Malaysia, listed entities are required to conduct their AGMs and other general meetings in either a hybrid or fully physical format. Accordingly, the 42nd AGM was held physically in compliance with the prevailing regulatory requirements.

The Board acknowledges Practice 13.3 of the MCCG 2021, which recommends that listed companies leverage technology to facilitate voting, including voting in absentia and remote shareholders' participation at general meetings. The Board also recognises Practice 13.5 of the MCCG 2021, which recommends that the conduct of a virtual general meeting, whether fully virtual or hybrid, should support meaningful engagement between the Board, senior management and shareholders. While the 42nd AGM was conducted physically, the Board remains committed to enhancing shareholder engagement and will continue to explore and assess the adoption of appropriate technology and best practices, including hybrid meeting arrangements where feasible, to facilitate effective participation and meaningful engagement at future general meetings.

During the AGM, the Board with the MD/CEO provided a comprehensive presentation on the Group's financial performance, strategic priorities and initiatives undertaken during the year, as well as its approach to long-term shareholder value creation. The presentation was complemented by visual and graphical materials to facilitate clearer communication of key messages and to enhance shareholder engagement throughout 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.

Corporate Governance Overview Statement

During the Question-and-Answer session, the Board responded to all pre-submitted questions. In total, 40 live questions and 52 pre-submitted questions were received. All questions and answers addressed during the AGM were published on the Company's website under the Investor Relations section 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. Shareholders participation was actively encouraged, with 1,317 shareholders and proxies present at the commencement of the meeting, representing 432,574,030 shares. The Chairman was also appointed by 594 shareholders as proxy, representing 1,217,167,814 shares, which represented 61.51 per cent of the total voting rights at the AGM.

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 firmly committed to cultivating a corporate culture anchored in integrity, accountability and ethical conduct. Upholding these values is fundamental to sustaining stakeholder trust and ensuring long-term organisational success. PGB's governance framework is reinforced by a comprehensive suite of ethics-related policies and procedures that promote transparency and responsible behaviour across all levels of the Group.

To strengthen integrity governance, PETRONAS has established a dedicated Group Integrity function, headed by the PETRONAS Group Chief Integrity Officer, who oversees integrity related initiatives across the PETRONAS Group of Companies, including PGB. This centralised oversight ensures consistent implementation of ethical standards and alignment with global best practices.

Code of Conduct and Business Ethics

The Group adheres to the PETRONAS Code of Conduct and Business Ethics (CoBE), which embodies the principles of discipline, professionalism, integrity, loyalty and accountability. These principles underpin PGB's commitment to ethical and responsible business practices, guiding decision-making and conduct across all aspects of operations.

The CoBE defines the standards of professional behaviour expected of Directors, employees and third parties representing the Group, including contractors, subcontractors, consultants, agents and other service providers. Compliance with the CoBE ensures that ethical conduct is upheld throughout the supply chain and across all business relationships.

In line with its zero-tolerance policy towards bribery, corruption and other unethical practices, the CoBE explicitly prohibits improper solicitation, facilitation payments and any form of corrupt behaviour. The Group regularly communicates and reinforces these expectations through training, awareness sessions and compliance monitoring.

The CoBE is publicly accessible 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 provides clear guidance for identifying, preventing and managing bribery and corruption risks in all business dealings, both internal and external.

The ABC Policy applies to employees, Directors, contractors, sub-contractors, consultants, agents and representatives engaged in work or services for or on behalf of PGB. It sets out the processes for reporting, investigating and addressing suspected instances of corruption or improper solicitation, ensuring compliance with applicable laws, regulations and international anti-corruption standards.

The policy is reinforced by regular training and communication programmes to embed awareness and accountability across the organisation.

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

Corporate Liability

The Company has established comprehensive measures to mitigate risks associated with corporate liability under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2009. This provision holds companies liable for corrupt acts committed by employees or associated persons for the benefit of the organisation unless the company can demonstrate that adequate preventive procedures were in place.

To strengthen compliance and foster an ethical culture, PGB has implemented a series of mandatory e-learning modules covering key legal and regulatory areas such as Data Privacy, Third-Party Risk Management, Sanctions, the ABC Manual and Competition Law. These structured training programmes ensure that all employees understand their responsibilities and obligations, reinforcing a culture of integrity and accountability while mitigating potential legal and reputational risks.

Whistleblowing Policy

PGB adopts the PETRONAS Whistleblowing Policy, which provides a secure, confidential and transparent channel for employees, contractors and members of the public to report any instances of improper, unethical or unlawful conduct. The policy underscores the Group's commitment to integrity and ethical business practices, ensuring that concerns are handled objectively and without fear of retaliation.

Comprehensive information on the policy and procedural guidelines is available on the Company's website at www.petronas.com/pgb. Reports of improper conduct may be submitted in confidence via email to whistle@petronas.com.

Trading on Insider Information

In compliance with Chapter 14 of the MMLR of Bursa Malaysia, the Company Secretary issues a Notice of Closed Period to all Directors and members of the Leadership Team on a quarterly basis. This notice outlines the rules governing share trading during both the "Closed Period" and the "Outside Closed Period."

Directors and Principal Officers with access to price-sensitive information are prohibited from dealing in the Company's securities during Closed Periods to prevent insider trading and maintain market integrity. During the financial year under review, no trading activities were undertaken by members of the Board or Principal Officers of the Company.

Selection of Vendors

PGB adheres to the PETRONAS tendering process and principles as stipulated in the PETRONAS Tenders and Contracts Administrative Manual, ensuring a structured, transparent and equitable approach to vendor selection. All procurement exercises are conducted based on the principles of fair competition, technical compliance and commercial competitiveness, supporting value creation and operational excellence.

To safeguard objectivity and consistency, dedicated Tender Committees have been established to independently assess and evaluate all bid proposals. Recommendations for contract awards are only presented to the approving authority once they have been endorsed by the Tender Committee, thereby reinforcing the integrity of the procurement process. The tendering process comprises the following stages:

Relationship with Auditors

External Auditors

The Company maintains a professional, transparent and independent relationship with its external auditors, KPMG PLT, through the oversight of the BAC. This relationship is grounded in objectivity, integrity and accountability, ensuring that the audit process provides a true and fair assessment of the Group's financial position and performance.

During the financial year under review, the BAC held two formal meetings with the external auditors to review and evaluate the scope and adequacy of the audit, the audit plan and the key audit findings. These meetings also provided an opportunity to discuss the auditors' observations regarding financial reporting, internal controls and risk management processes.

To uphold auditor independence and promote open dialogue, the BAC also convened a separate private session with the external auditors, without the presence of Management. This session allowed for candid discussion on matters arising from the audit, as well as any issues that might warrant the BAC's direct attention. The external auditors provided valuable insights and professional observations to enhance the robustness of the Company's governance and financial reporting framework.

PG *Further details of the BAC's oversight of the external auditors, including the nature of their engagement and the outcomes of the review process, are presented in the Board Audit Committee Report on pages 119 to 131 of this Integrated Report.*

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, records and assets of the Group, ensuring that its audit activities are conducted objectively and effectively.

Operating as an independent assurance function, Internal Audit performs regular reviews to assess the adequacy and effectiveness of internal controls, the efficiency of risk management processes and the Group's compliance with relevant laws and regulations. Audit findings, together with agreed management action plans, are presented to the BAC for review and follow-up. The BAC monitors the timely implementation of recommendations to strengthen the Group's control environment.

PG *Further information on the BAC's oversight of the Internal Audit function is available in the Board Audit Committee Report on pages 119 to 131 of this Integrated Report.*

Corporate Governance Overview Statement

Directors' Responsibility Statement

The Directors have confirmed that the financial statements of the Company and the Group for the financial year ended 31 December 2025 present a true and fair view of their state of affairs, financial performance and cash flows, as required under the CA 2016.

The Statement of Responsibility by Directors for the audited financial statements is provided on page 161, while the full financial statements of the Company and the Group are presented on pages 162 to 254 of this Integrated Report.

Statement by the Board on Compliance

The Board has reviewed and approved this Corporate Governance Overview Statement and is satisfied that the Group has complied with the relevant provisions of the MMLR of Bursa Malaysia, the CA 2016, the MCCG 2021 and the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad.

Throughout the financial year ended 31 December 2025, the Group's governance practices were also benchmarked against the ASEAN Corporate Governance Scorecard and other applicable legal and regulatory requirements.

The Board is further satisfied that the Company has applied the key Principles and adopted the Practices of the MCCG 2021. Detailed disclosures of how the Company has implemented these principles and practices are provided in the CG Report, which also includes explanations for any departures from specific practices.

The Board will continue to strengthen the Company's corporate governance standards and uphold a culture of ethical conduct, transparency and accountability, with the objective of delivering sustainable long-term shareholder value while safeguarding the interests of all stakeholders.

Additional Compliance Information – Material Contracts

There were no material contracts or loans entered into by the Company or its subsidiaries involving the interests of Directors or major shareholders, either subsisting at the end of the financial year ended 31 December 2025 or entered into since the close of the previous financial year, except as disclosed in the Audited Financial Statements.

This Statement is made in accordance with a resolution of the Board of Directors dated 24 February 2026.

DATUK ADIF ZULKIFLI
Chairman

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) presents this Report for the financial year ended 31 December 2025. The Report sets out how the Committee has discharged its responsibilities in supporting the Board's oversight of financial and key non-financial reporting, audit matters, system of internal controls, related party transactions and potential conflict of interest, in accordance with Paragraph 15.15 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The Committee plays a central role in maintaining the integrity of the Company's financial reporting and in providing the Board with independent assurance on the effectiveness of the control environment. Throughout the year, the Committee focused on matters that are significant to the quality of the Company's financial disclosures, the robustness of internal controls and the independence and effectiveness of the audit process.

Terms of Reference

The BAC operates under a clear and formal Terms of Reference (TOR) which defines its authority, duties and scope of responsibilities. The TOR is designed to ensure that the BAC functions in compliance with the MMLR of Bursa Malaysia and the principles of the Malaysian Code on Corporate Governance 2021 (MCCG 2021), while supporting the Board's governance framework.

The TOR is reviewed from time to time to remain aligned with regulatory expectations and evolving governance practices. The TOR of the BAC is available on the Company's corporate website at www.petronas.com/pgb.

Composition

The BAC is composed entirely of Independent Non-Executive Directors (INEDs) in line 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 (SID), reinforcing its independence and ensuring impartial oversight. No member of the BAC serves as an alternate director.

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:** 7 years 2 months

Member

DATUK MARK VICTOR ROZARIO
(Independent Non-Executive Director)

Date of appointment: 22 November 2021 | **Tenure:** 4 years 2 months

DATUK DR. YATIMAH SARJIMAN
(Independent Non-Executive Director)

Date of appointment: 24 April 2025 | **Tenure:** 10 months

YUSA' HASSAN
(Independent Non-Executive Director)

Date of appointment: 10 June 2025 | **Tenure:** 8 months

Sujit Singh Parhar s/o Sukhdev Singh has ceased to become a BAC Member effective 10 June 2025.

The BAC is led by Farina Farikhullah Khan, a Fellow of the Chartered Accountants Australia and New Zealand (FCA), and includes Datuk Mark Victor Rozario, a Fellow of the Institute of Chartered Accountants in England and Wales (FCA). Their professional backgrounds provide the Committee with a sound and relevant base of expertise in financial reporting, governance and risk management.

Board Audit Committee Report

During the year, Datuk Dr. Yatimah Sarjiman and Yusa' Hassan were appointed as new members of the BAC effective 24 April 2025 and 10 June 2025 respectively, while Sujit Singh Parhar ceased to be a BAC member, effective 10 June 2025. Their appointments further strengthen the Committee through their in-depth technical and industrial experience, complementing the BAC's overall capabilities and effectiveness.

Collectively, the members bring substantial experience in finance, audit and regulatory matters, as well as technical and industrial insights, ensuring that the Committee is well-positioned to exercise effective and independent oversight. In this regard, the Board is satisfied that the composition of the BAC meets the requirements of Paragraph 15.09(c)(i) of the MMLR of Bursa Malaysia, which requires at least one member of the Committee to be a qualified accountant.

Meetings and Attendance

The Committee meets on a quarterly basis, with additional meetings convened as necessary to address specific matters requiring attention. The BAC meeting for the financial year under review was scheduled in advance in November 2025 to facilitate effective management of members' commitments.

During the year, the BAC convened eight meetings, with the Company Secretary serving as the BAC secretary. To support informed and comprehensive deliberation, the Committee invited the Managing Director and Chief Executive Officer, the Chief Financial Officer, the Head of the Internal Audit Department (IAD), the External Auditors and relevant members of the Leadership Team as necessary to provide updates, clarifications and insights on matters within their respective areas of responsibility.

Details of individual members' attendance at Committee meetings are set out on page 105 of this Integrated Report.

The Head of the IAD presented detailed internal audit reports and updates on audit activities to the BAC for review and approval, with key members of Management invited to address specific issues arising from audit findings. External Auditors presented their audit plan and reported on the findings arising from the statutory audit of the Company and its subsidiaries. Both the internal and external audit plans were formally approved by the Committee in accordance with its TOR. To facilitate open and independent dialogue, the Committee also held two private sessions with the External Auditors, on 17 February 2025 and 20 November 2025, without the presence of Management.

Meeting agendas and supporting papers were disseminated to members through a secured digital platform at least five days in advance of each meeting, enabling adequate preparation and robust discussion. All proceedings, deliberations and resolutions of the Committee meetings were captured in formal minutes, which were duly reviewed, confirmed and signed. The minutes were maintained by the Company Secretary and presented to the Board at subsequent meetings for notation.

Matters considered by the BAC covered a range of critical matters, including reviews of the Group's financial statements, quarterly financial reporting to Bursa Malaysia, Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs), internal and external audit reports and the status of open audit findings together with Management's agreed corrective actions. Following its reviews, the Committee made recommendations to the Board on the approval of the Group's financial statements and quarterly results.

Continuous Professional Development

The BAC recognises the importance of ongoing education in discharging its roles and responsibilities effectively. In this regard, the BAC members keep themselves abreast of developments and updates in accounting and auditing standards, in line with Practice 9.5 of the MCCG 2021, to ensure continued awareness of evolving industry standards and governance requirements.

Activities of the BAC During the Financial Year 2025

The Board has overall responsibility for governance and oversight of the Company, including the effectiveness of its risk management and internal control framework. In discharging this responsibility, the Board is supported by the BAC which provides regular reports and recommendations arising from its deliberations.

In line with good governance practices, BAC meetings are convened prior to Board meetings, to facilitate the timely escalation of material issues, significant findings and any identified irregularities. This ensures a structured and effective flow of information to enable informed deliberation and decision making by the Board.

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

Financial Reporting

The BAC reviewed the integrity of the Company's financial reporting, ensuring compliance with applicable accounting standards and regulatory requirements. Key activities undertaken included:

- Reviewing the quarterly financial results announcements and recommending the same to the Board for approval prior to submission to Bursa Malaysia, to ensure compliance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (MFRS), the MMLR of Bursa Malaysia and other relevant regulatory obligations.
- Examining the quarterly and annual financial accounts of both the Company and the Group to assess financial performance, key judgments, estimates and the overall quality of financial reporting.
- Reviewing the Audited Financial Statements of the Company and the Group prior to submission to the Board, to confirm compliance with the MFRS, International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016.

Internal Control

The BAC reviewed the adequacy and effectiveness of the Company's internal control framework to ensure that key risks are appropriately managed and that the Company's assets are safeguarded.

As part of this oversight, the BAC also reviewed PGB Management Framework to strengthen governance processes, ensuring consistent oversight and accountability across the Group.

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 2024. To ensure transparency and accuracy, these reviews were supported by an independent assessment conducted by KPMG PLT before being included in the Integrated Report 2024.

Internal Audit

To ensure adherence to the Global Internal Audit Standard (GIAS), the Institute of Internal Auditors, Bursa Malaysia regulations and the MCCG 2021, the BAC undertook a range of oversight activities in 2025.

Key actions included:

- Endorsing the declaration on the Organisational Independence of the Internal Audit Activity by the IAD for the period from 1 January 2025 to 31 December 2025. This annual declaration ensures that the Internal Audit function operates independently in carrying out its responsibilities.
- Approving the IAD Balanced Scorecard for 2025.
- Evaluating the IAD'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 2026.
- Monitoring the progress of the IAD deliverables through quarterly updates.
- Reviewing audit reports, recommendations and action plans aimed at strengthening PGB'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 the IAD and are reported to the BAC accordingly.

RPT and Conflict of Interest Situations

- Reviewed RPTs and RRPTs to ensure compliance with PGB's Guidelines and Procedures on RPTs and Conflict of Interest (COI) Situations to affirm that all transactions are carried out on an arm's length basis, in the best interest of the Company, fair, reasonable and not detrimental to the interest of the 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 the annual declarations and register of interests on COIs of the Directors and key Senior Management.
- Reviewed COIs for the appointment/re-appointment of Directors for input to be considered by the Nomination and Remuneration Committee.

External Audit

The BAC conducted a comprehensive review of the external audit plan, including the audit strategy and scope of the statutory audit of the Company's and the Group's financial statements for the financial year under review, as presented by the external auditors.

During the year, the BAC:

- Reviewed the results of the statutory audit, including key audit matters, audit findings and the audit report, to ensure the integrity and accuracy of the Company's and the Group's financial statements and compliance with applicable financial reporting standards.

Board Audit Committee Report

- Reviewed and endorsed the proposed audit fees for the statutory audits, taking into consideration the scope of work, complexity of the audit and benchmarking against industry practices.

In accordance with the PETRONAS Framework on External Auditors, adopted since 2019, the BAC performed its annual assessment of the external auditors' performance, sustainability and independence. The assessment covered the following key areas:

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

Based on the assessment, the BAC was satisfied with the external auditors' performance and independence. Constructive feedback, including areas for 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 to ensure that such services did not impair the auditors' independence or objectivity. This included monitoring the proportion of non-audit fees relative to total audit fees. The external auditors provided written confirmation to the BAC, affirming their independence throughout the financial year under review.

During the financial year, the Company engaged the external auditors for both audit and non-audit services. The total fees incurred for audit and non-audit services are as follows:

	2025		2024	
Particulars	Group (RM'000)	Company (RM'000)	Group (RM'000)	Company (RM'000)
Total Statutory Audit Fees	654	383	608	365
Total Non-audit Fees	148	43	88	13
• Independent Review of SORMIC	13	13	13	13
• Regulatory Reporting Statement Audit	79	-	75	-
• Annual Revenue Adjustment	20	10	-	-
One-off				
• Special Audit on Sipitang Utilities Sdn. Bhd. and PG Cold Energy 1 Sdn. Bhd.	16	-	-	-
• East Coast Economic Region Incentive Assessment	20	20	-	-
Percentage of Non-audit Fees over Statutory Audit Fees	22.6%	11.2%	14.5%	3.6%

The Company also reviewed the Audit Focus Areas identified by the external auditors for the financial year ended 31 December 2025:

No.	Audit Focus Area	Matters Considered	BAC Comments
1.	Capitalisation and componentisation of completed projects	The audit evaluated completion date of project-in-progress to determine that completed projects are capitalised timely. • Evaluated the capitalisation process and determined that only costs that meet MFRS 116 requirements are capitalised • Evaluated the componentisation process to determine that significant components with different useful lives are depreciated separately • Assessed that any borrowing costs that meet MFRS 123 are capitalised	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 the controls relating to revenue recognition for utilities segment and performed substantive testing on revenue from utilities segment recognised during the year.	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 audit finding that no exception identified and acknowledged that appropriate mitigations are in place to manage the risks associated with the manual journal entries.

External Auditor Independence

The Company places strong emphasis on safeguarding the independence and objectivity of its external auditors. In this regard, the Audit Engagement Partner is subject to a maximum tenure of seven years, after which mandatory rotation is applied. A cooling-off period of five years is required before a former engagement partner may be considered for re-appointment, in line with applicable regulatory requirements.

In addition, the external auditors maintain independence through their internal Independent Partner Review process, which provides an additional layer of assurance over compliance with professional and ethical standards. The external auditors also provided written confirmation to the BAC that they had complied with all relevant professional and regulatory requirements and had remained independent throughout the audit engagement.

Annual Reporting

As part of its oversight responsibilities, the BAC reviewed its own report, the Corporate Governance Overview Statement and the SORMIC for the financial year ended 31 December 2025. The review was conducted to satisfy the Committee that the disclosures were accurate, balanced and comprehensive, and that they complied with applicable regulatory requirements and recognised governance guidelines, prior to recommendation to the Board for approval.

Internal Audit Function

The Internal Audit function at PGB supports the Board and Management through the provision of independent, risk-based assurance and advisory services. Its objective is to assess and strengthen the effectiveness of risk management, governance and internal control processes, contributing to the safeguarding of the Group's value and the achievement of its strategic objectives.

During the year under review, the IAD executed six planned audit engagements, supplemented by ad-hoc reviews commissioned to address emerging issues or specific management requests. In parallel, the IAD also completed four Analytical Assessments exercises as part of its digital transformation journey. All engagements were conducted in accordance with a risk-based Three-Year Rolling Strategic Audit Plan and the Three-Year Digital Initiative Plan, which were reviewed and approved by the BAC.

To preserve independence, objectivity and professional scepticism, PGB Internal Audit reports functionally to the BAC and administratively to the PETRONAS Group Chief Audit Executive (GCAE). This structure allows the BAC to determine audit priorities, review significant findings and oversee the performance of the Internal Audit function, while day-to-day administrative matters are managed by the GCAE. The Head of IAD provides an annual confirmation of the function's independence, reinforcing its commitment to impartial and unbiased assurance. Besides that, internal auditors are not assigned to engagements where potential COI may arise.

Board Audit Committee Report

In 2025, the Internal Audit function was led by Hardi Hazizie Abd Hamid, a professional with more than 25 years of experience within PETRONAS. He holds a Bachelor's degree in Mechanical Engineering from Universiti Teknologi PETRONAS and is a Certified Fraud Examiner, as well as a Certified Internal Control Integrated Framework (COSO) practitioner. His experience includes specialist maintenance, integrity assurance, reliability engineering and internal audit, providing a strong foundation for leading complex, risk-based audit engagements across the Group.

Under his leadership, the Internal Audit function continued to enhance its capability to identify emerging risks, assess control effectiveness and provide practical insights to the BAC and Management. This has contributed to improvements in governance practices, operational efficiency and risk management across PGB.

The Internal Audit function operates within a structured governance framework. The PGB Internal Audit Charter, approved by the BAC, defines the function's purpose, authority and responsibilities. Audit activities are conducted in alignment with globally recognised standards and framework, including the GIAS by the Institute of Internal Auditors and the COSO.

The function also adheres to established internal policies and procedures to promote consistency in audit execution and compliance with applicable regulatory requirements.

A risk-based approach is applied in developing the Annual Audit Plan to ensure alignment with the Group's strategic direction and risk profile. The planning process considers a range of inputs, including the Group's enterprise risk assessment, business strategies, emerging risks, operational materiality, previous audit results and feedback from the BAC and Management. This approach enables audit resources to be focused on areas of higher risk and significance.

During the year, audit engagements covered a broad range of operational, financial and compliance areas, including plant change and modifications, procurement and materials management, growth project execution, shareholders audit, governance and activities of strategic communications and special reviews and investigations, on request.

Audit findings and recommendations were discussed with Management prior to being reported to the BAC. Agreed corrective actions were monitored on a quarterly basis. Requests for extensions to initial timelines were required to be justified by the relevant business units and approved by the Head of IAD before being reported to the Committee.

The Internal Audit function maintains a Quality Assurance and Improvement Programme to assess and enhance the effectiveness of its activities. This programme comprises ongoing internal assessments and periodic external assessments. In 2025, an assessment on conformance to new GIAS was conducted by the IAD and rated as "Generally Conform". This outcome reflects the function's continued progress and maturity, with support from the BAC and Senior Management.

The Internal Audit team is staffed by 11 professionals with diverse experience and qualifications across different areas, including accounting and finance, operations and maintenance, Information Technology and digital disciplines. The team is also supported by technical professionals and subject matter experts from the PETRONAS Group.

The Group continues to support the professional development of internal auditors through structured education and certification programmes, including Certified Internal Auditor, Certified Fraud Examiner and COSO-related qualifications. To date, 10 IAD personnel hold relevant professional certifications.

Internal auditors participate in continuous training through programmes offered by the Institute of Internal Auditors and the PETRONAS Functional Skill Group 04, which align with the Internal Audit Competency Technical Inventory and Rulers. New auditors are provided with on-the-job training within the PETRONAS Internal Audit network or fraternity to enhance practical exposure and the application of leading practices. Annual performance assessments are conducted through the Employee Performance Management process, with individual Personal Development Plans established to support ongoing capability development and career progression.

The total cost incurred for the Internal Audit function for the financial year ended 31 December 2025 amounted to 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). The Guideline sets out the principles and procedures governing such transactions across the PGB Group and supports compliance with the MMLR of Bursa Malaysia, as well as other applicable laws and regulations.

The BAC's TOR requires the Committee to review and address any RPTs and COI Situations including perceived, potential and actual COIs that may arise within the Group and the Company in line with the MMLR. This includes examining any transactions, procedures or courses of conduct that could raise questions about Management's integrity and the measures proposed to resolve, eliminate or mitigate such conflicts. The scope of the review comprises conflicts involving Directors and key Management personnel across the Group.

Review of Conflicts of Interest

The guidelines below set out parameters for situations that may give rise to a COI:

(i) If the Director holds an interest in a business that competes or is likely to compete, either directly or indirectly, with the business of PGB Group;
(ii) In cases where 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 PGB Group;
(iii) When the Director is involved in or has an interest in business transactions involving goods or services, either directly or indirectly, with PGB Group;
(iv) If the Director provides or receives financial assistance from PGB Group.

During the year, the Committee conducted a detailed review and assessment of a potential COI arising from the appointment of two new INEDs, Datuk Dr. Yatimah Sarjiman and Yusa' Hassan, and agreed on appropriate mitigation measures to address any actual, potential or perceived conflicts.

The Committee also conducted a detailed review and assessment of a potential COI arising from the appointment of two Non-Independent Non-Executive Directors (NINEDs), Lim Li Ping and Izwan Ismail. In conducting its assessment, the Committee considered their existing roles and directorships within the PETRONAS Group and evaluated the proposed mitigating measures. The Committee concluded that the measures identified were appropriate and sufficient to address the potential COI.

On 16 February 2026, the Committee reviewed the annual declarations of interests and potential COIs submitted by the Directors, including those standing for re-election and key Senior Management. No COIs or potential conflicts, including interests in businesses competing with the Company, were declared by the Independent Directors and key Senior Management for the financial year ended 31 December 2025. In respect of the NINEDs, the Committee was satisfied that the mitigating measures in place adequately addressed any potential conflicts that may arise from their current roles and directorships within the PETRONAS Group.

Related Party Transactions

The Committee conducted regular reviews of RPTs and RRPTs to satisfy itself that such transactions were entered into in the best interest of the Group, on fair and reasonable terms, and in line with normal commercial practices, as well as conducted on an arm's length basis. Prior to making recommendations to the Board for approval, the Committee considered whether the transactions adhered to the principles and procedures set out in the Guideline. The structured processes established under the Guideline facilitate the identification, monitoring and reporting of RPTs and RRPTs, and provide assurance that such transactions do not prejudice the interests of minority shareholders.

As transactions arose during the year, the Committee assessed them against the prescribed requirements to ensure compliance with internal governance procedures and regulatory obligations. Where appropriate, the Committee considered Management's recommendations to refine or strengthen existing processes, supporting continuous improvement in governance practices across the Group.

As part of the broader PETRONAS Group's integrated oil and gas value chain, the Company operates within an environment where transactions with PETRONAS and its subsidiaries are inherent to its business operations. In this context, PGB has been granted exemptions and waivers from compliance with Paragraphs 10.08 and 10.09 of the MMLR of Bursa Malaysia, including the requirement to seek shareholders' approval for certain transactions relating to the supply, sale, purchase, provision and use of specific goods, services and facilities. These exemptions and waivers are intended to avoid operational disruption and to facilitate the continued and efficient conduct of business within the integrated PETRONAS energy framework.

The BAC remains satisfied that the Guideline, together with the processes and controls in place, is adequate to safeguard the Group's interests, support compliance with applicable regulatory requirements and ensure that RPTs are conducted on an arm's length basis. The Committee will continue to review and monitor these arrangements to maintain transparency, integrity and confidence in the Group's financial and operational dealings.

Board Audit Committee Report

RRPTs that have been granted waivers by Bursa Malaysia from complying with the requirements of Paragraph 10.09 of the MMLR of Bursa Malaysia are set out in the following table.

Date of Bursa Malaysia Waiver Approval	Transacting Party	Relationship	Nature of Transaction	Value of Transaction in 2025 (RM'000)
26 March 2014	PGB and PETRONAS	• PETRONAS is a major shareholder of PGB holding 51%	Gas Processing Agreement (GPA)	Gas Processing Services: RM1,860,100
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: RM128,357
	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: RM6,864
	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 with PETRONAS as the ultimate holding company	Ancillary Agreements for RGT Pengerang Project	Purchase of Electricity: RM36,613
23 October 2020	PGB, RGTSU and PLNG2 with PETRONAS Energy & Gas Trading Sdn. Bhd. (PEGT)	• 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: RM168,971
	PGB with PEGT	• 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: RM1,391,859
11 October 2021	PGB with PETRONAS Chemicals Derivatives Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • PETRONAS Chemicals Derivatives Sdn. Bhd. is a wholly owned subsidiary of PETRONAS Chemicals Group Berhad (PCGB) and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM749,258
	PGB with PETRONAS Chemicals Ammonia Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • PETRONAS Chemicals Ammonia Sdn. Bhd. is a wholly owned subsidiary of PCGB and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM233,853
			Compressed Air Sharing Agreement	Compressed Air Facilities Services Income: RM483
			Fire Water Services Agreement (FWSA)	Fire and Water Services: RM39
	PGB with BASF PETRONAS Chemicals Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • BASF PETRONAS Chemicals Sdn. Bhd. is an associate company of PCGB holding 40%, and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM166,198
	PGB with PETRONAS Chemicals LDPE Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • PETRONAS Chemicals LDPE Sdn. Bhd. is a wholly owned subsidiary of PCGB and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM113,795
	PGB with PETRONAS Chemicals Aromatics Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • PETRONAS Chemicals Aromatics Sdn. Bhd. is a wholly owned subsidiary of PCGB and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM64,512

Board Audit Committee Report

Date of Bursa Malaysia Waiver Approval	Transacting Party	Relationship	Nature of Transaction	Value of Transaction in 2025 (RM'000)
11 October 2021	PGB with Ineos PCG Acetyls Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • Ineos PCG Acetyls Sdn. Bhd. is a joint venture company of PCGB, holding 30%, and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM38,662
			Fire Water Services Agreement (FWSA)	Fire and Water Services: RM52
	PGB with PETRONAS Chemicals Ethylene Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • PETRONAS Chemicals Ethylene Sdn. Bhd. is a subsidiary of PCGB, holding 87.5%, and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM16,545
			Sell and Deliver Utilities Consumption Agreement	Kerteh Shared Marine Facility (KSMF) Utilities Consumption: RM80
	RGTSU with PEGT	• RGTSU is a wholly owned subsidiary of PGB • PEGT is a wholly owned subsidiary of PETRONAS	Supply of Utilities Agreement	LNG Bunkering Income: RM6,304
	PLNG2 with PEGT	• 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: RM13,442
	PGB with PETCO Trading Labuan Company Ltd.	• PGB is owned by PETRONAS of 51% • PETCO Trading Labuan Company Ltd. is a wholly owned subsidiary with PETRONAS as the ultimate holding company	Importation and Exportation Agreement	LPG Import and Export Service Fees: RM6,543
			Manpower, Routine Maintenance, Utilities Cost Recovery and Rental Facilities	Marine Facilities Income: RM2,207
	PGB with Kertih Terminals Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • Kertih Terminals Sdn. Bhd. is a joint venture company of PCGB, holding 40%, and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM7,130
			Right of Use of Warehouse	Warehouse Rental: RM5,788
	PLNG2 with PETRONAS LNG Ltd.	• 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: RM1,329
			Storage Fee	Storage Fee Income: RM32,765
	PGB with Voltage Renewables Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • Voltage Renewables Sdn. Bhd. is a 70%-owned subsidiary of GENTARI Renewables Sdn. Bhd. with PETRONAS as the ultimate holding company	Sales and Purchase Agreement for the Supply of Electricity	Sale of Industrial Utilities: RM372

Date of Bursa Malaysia Waiver Approval	Transacting Party	Relationship	Nature of Transaction	Value of Transaction in 2025 (RM'000)
11 October 2021	PGB with PETRONAS Carigali Sdn. Bhd.	• 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: RM199
	PGB with PETRONAS Chemicals MTBE Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • PETRONAS Chemicals MTBE Sdn. Bhd. is a wholly owned subsidiary of PCGB and PETRONAS is a major shareholder of PCGB, holding 64.35%	Fire Water Services Agreement (FWSA)	Fire and Water Services: RM79
			Sales and Purchase Agreement for the Supply of Electricity and Utilities	Sale of Industrial Utilities: RM254,314
			Right of Use of Equipment	Rental of Equipment: RM216
	PGB with PETRONAS Chemicals Marketing (Labuan) Ltd.	• PGB is owned by PETRONAS of 51% • PETRONAS Chemicals Marketing (Labuan) Ltd. is a wholly owned subsidiary of PCGB and PETRONAS is a major shareholder of PCGB, holding 64.35%	Sales and Purchase Agreement (SPA) to Supply Excess Hydrogen Gas to Utilities Gebeng (UG) Plant	Purchase of Hydrogen: RM7,419
	PGB and RGTSU with PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.	• 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 (PDB) and PETRONAS is a major shareholder of PDB, holding 63.94%	Purchase of Petroleum Products for Operation	Purchase of Petroleum Products: RM5,703
	PGB and PLNG2 with PETRONAS Hartabina Sdn. Bhd.	• 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	Land Lease Agreement	Lease of Land: RM1,060
	PGB and PETRONAS	• PETRONAS is a major shareholder of PGB, holding 51%	Land Lease Agreement	Lease of Land: RM152

Board Audit Committee Report

Date of Bursa Malaysia Waiver Approval	Transacting Party	Relationship	Nature of Transaction	Value of Transaction in 2025 (RM'000)
11 October 2021	PLNG2 with Pengerang Terminals (Two) Sdn. Bhd.	• 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%, and PRPC is a wholly owned subsidiary of PETRONAS	Jetty Usage Agreement	Jetty Usage Service: RM72,828
	PGB with Vinyl Chloride (Malaysia) Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • Vinyl Chloride (Malaysia) Sdn. Bhd. is a wholly owned subsidiary of PCGB and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM2,779
	PGB with PCG PCC Oxyalkylates Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • PCG PCC Oxyalkylates Sdn. Bhd. is a joint venture of PCGB, holding 47.5%, and PETRONAS is a major shareholder of PCGB, holding 64.35%	Supply of Utilities Agreement	Sale of Industrial Utilities: RM15,080
	PGB with PEGT	• PGB is owned by PETRONAS of 51% • PEGT is a wholly owned subsidiary of PETRONAS	Pipeline Project Service Agreement	Operation and Maintenance Income: RM3,040
	PGB with PETRONAS Technical Services Sdn. Bhd. (PTSSB)	• PGB is owned by PETRONAS of 51% • PTSSB is a wholly owned subsidiary of PETRONAS	Right of Use of Building	Rental of Office Space: RM198
	PGB with PETRONAS Management Training Sdn. Bhd.	• 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: RM207
	PGB with Trans Thai-Malaysia (Malaysia) Sdn. Bhd.	• PGB is owned by PETRONAS of 51% • Trans Thai-Malaysia (Malaysia) Sdn. Bhd. is a joint venture company of PETRONAS, holding 50%	Right of Way and Maintenance Fees	Right of Way and Maintenance Fees Income: RM4,681
	PLNG2 with Southern Gas Terminal (L) Private Limited (SGTL)	• PLNG2 is a subsidiary of PGB, holding 65% • SGTL is a wholly owned subsidiary of MISC and PETRONAS is a major shareholder of MISC, holding 51%	Floating Storage Unit Lease	Floating Storage Unit Lease Income: RM15,807

The BAC is satisfied that, during the financial year under review, the RRPTs as summarised in the table were carried out in accordance with the waivers granted by Bursa Malaysia. The BAC was also satisfied that all RPTs, including RRPTs, were conducted on an arm's length basis, under normal commercial terms and conditions and at prevailing market rates or prices. These transactions were conducted in accordance with applicable industry practices and were not prejudicial to the interests of the Company or its minority shareholders. All such transactions were reported to the Committee on a quarterly basis, enabling ongoing oversight and review.

Board Audit Committee Effectiveness and Performance

As part of its commitment to maintaining high standards of corporate governance, the Board conducted an annual assessment of the BAC as part of the Board Effectiveness Evaluation for the financial year. The assessment provided an objective review of the Committee's effectiveness in discharging its responsibilities, including oversight of financial reporting, audit processes and the system of internal control.

Based on the outcome of the evaluation, the Board concluded that the Committee continues to play an important role in supporting the Board's deliberations on financial and audit-related matters. The Committee's contribution to promoting transparency, ensuring compliance with applicable financial and regulatory requirements and overseeing the robustness of risk management and internal control frameworks was recognised as integral to the integrity of the Company's financial governance.

Following the assessment, the Board confirmed that the BAC had discharged its duties effectively and in accordance with its TOR. The Committee's consistent and structured engagement with both internal and external auditors, together with its oversight of financial reporting and audit matters, continues to underpin the Group's approach to sound governance and accountability.

Reporting to the Exchange

For the financial year under review, the BAC assessed the Company's compliance with the MMLR of Bursa Malaysia. Based on this assessment, the Committee is satisfied that the Company has complied with all applicable regulatory requirements. Accordingly, no reporting to Bursa Malaysia under Paragraph 15.16 of the MMLR of Bursa Malaysia is required for the year.

FARINA FARIKHULLAH KHAN
Chairman
Board Audit Committee

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 present its report for the financial year ended 31 December 2025. This report outlines the NRC's key activities and initiatives undertaken during the year in supporting the Board's efforts to uphold high standards of governance, leadership effectiveness and accountability across the Group.

The NRC plays an integral role in strengthening the Board's overall effectiveness by overseeing matters relating to Board composition, succession planning and remuneration governance. During the year under review, the NRC focused on ensuring that the Board and senior management remain appropriately structured, well balanced and equipped with the requisite competencies to support the Company's strategic priorities and long-term sustainability.

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). It reflects the Company's continued emphasis on transparency and sound corporate governance practices in line with regulatory requirements and stakeholder expectations.

Terms of Reference

The NRC operates under a clearly defined framework as set out in its Terms of Reference (TOR). These TORs are aligned with the governance principles prescribed under the MMLR of Bursa Malaysia and the Malaysian Code on Corporate Governance 2021 (MCCG 2021), providing clarity on the NRC's scope of authority, roles and responsibilities.

The TOR enables the NRC to discharge its oversight responsibilities effectively in relation to Board appointments, succession planning, performance evaluation and remuneration structures for Directors and senior management. To ensure ongoing relevance and effectiveness, the TOR is reviewed periodically, taking into account developments in regulatory requirements and evolving best practices in corporate governance.

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

Composition

The NRC is composed entirely of Independent Non-Executive Directors (INEDs), ensuring a high level of objectivity and independence in the discharge of its duties. This composition complies with Paragraph 15.08A(1) of the MMLR of Bursa Malaysia, which requires the NRC to comprise only Non-Executive Directors (NEDs), with a majority being Independent Directors.

In line with Practice 5.8 of the MCCG 2021, the NRC is chaired by an Independent Director. This governance arrangement strengthens the NRC's ability to exercise impartial judgement, particularly in matters relating to Board appointments, succession planning and remuneration. It also supports balanced decision making that aligns executive rewards with performance, long-term value creation and the interests of shareholders.

As of the date of the Integrated Report 2025, the composition of the NRC is as follows:

Chairman

DATUK MARK VICTOR ROZARIO
(Independent Non-Executive Director)

Date of appointment: 27 March 2023 | **Tenure:** 2 years 11 months

Member

FARINA FARIKHULLAH KHAN
(Senior Independent Non-Executive Director)

Date of appointment: 19 November 2020 | **Tenure:** 5 years 3 months

SUJIT SINGH PARHAR S/O SUKHDEV SINGH
(Independent Non-Executive Director)

Date of appointment: 10 June 2025 | **Tenure:** 8 months

The profiles of the NRC members are disclosed on pages 82 to 84 of this Integrated Report 2025.

Role and Philosophy

The NRC was established to strengthen the Company's governance framework through a structured and transparent approach to Board appointments, succession planning and remuneration oversight. Central to the NRC's role is the promotion of a Board composition that supports effective leadership, objective decision making and long-term value creation.

In discharging its responsibilities, the NRC regularly reviews the structure, size and composition of the Board to ensure an appropriate balance among the Executive, Non-Executive and Independent Directors. This balance is essential for maintaining independent oversight while enabling the Board to benefit from a diverse range of skills, experience and perspectives.

The NRC is responsible for identifying and recommending suitable candidates for Board appointments, either through Board nomination or submission for shareholder approval, as applicable. In addition, the NRC oversees succession planning at the Board and senior management levels to promote continuity of leadership and sustainability of the Company's governance framework.

Recognising the importance of continuous improvement, the NRC also oversees the development of Directors by ensuring that appropriate training programmes are made available. These programmes are designed to enhance Directors' knowledge of regulatory developments, industry trends and governance practices, enabling them to discharge their fiduciary duties effectively.

Meetings and Attendance

To support effective planning and the efficient discharge of its responsibilities, the NRC pre-scheduled its meetings for the year under review in November 2024, allowing members to incorporate them into their respective schedules. The NRC normally convenes three meetings annually, with additional meetings held as and when required.

During the financial year under review, the NRC held a total of six meetings.

Details of individual attendance by NRC members are set out on page 105 of this Integrated Report 2025.

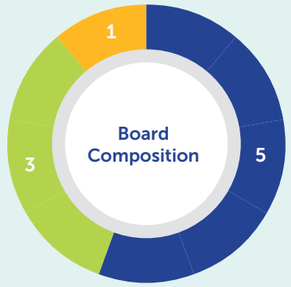
The Managing Director and Chief Executive Officer, the Head of the Human Resources Management Division and other parties deemed necessary by the NRC were invited to attend meetings to provide relevant inputs and clarifications on matters deliberated. The Company Secretary served as Secretary to the NRC, supporting the Committee by ensuring procedural compliance and the proper documentation of proceedings.

Meeting agendas and relevant papers were circulated to NRC members at least five days in advance of each meeting to allow adequate time for review and informed discussion. Deliberations at each meeting were properly documented, with minutes recorded, confirmed at subsequent meetings and presented to the Board for notation.

Board Composition and Independence

As at the date of this report, the Board comprised nine members, reflecting a well-balanced composition with INEDs, Non-Independent Non-Executive Directors (NINEDs) and an Executive Director, consistent with the Company's status as a Large Company under the MCCG 2021.

The composition of the Board is as follows:



- Independent Non-Executive Directors
  5 out of 9 **56%**
- Non-Independent Non-Executive Director
  3 out of 9 **33%**
- Executive Director (MD/CEO)
  1 out of 9 **11%**

The Board complies with Paragraph 15.02 of the MMLR, which requires at least one-third of the Board to comprise INEDs. In addition, the Board complies with Practice 5.2 of MCCG 2021, which recommends that Large Companies be led by a majority of Independent Directors.

The NRC considers this balance appropriate in supporting effective governance and leadership development. The inclusion of Directors from within the PETRONAS Group also provides exposure and developmental opportunities for potential future leaders, particularly in the context of PGB's role as a listed entity. Collectively, this diverse composition strengthens the Board's depth of experience and supports continuity, capability building and long-term sustainability.

Nomination and Remuneration Committee Report

Alignment with MCCG 2021 – Board composition

MCCG 2021	Key expectation	Company's application
Practice 5.1	Periodic review and refreshment of Board composition	NRC reviews Board composition and succession planning on an ongoing basis
Practice 5.2	Majority Independent Directors for Large Companies	Independent Directors comprise 56% of the Board
Practice 5.3	Independent Director tenure not exceeding nine years	NRC monitors tenure and independence annually

Board Succession Plan

The Board has instituted a structured succession planning framework to facilitate the timely identification and appointment of INEDs in the event of vacancies arising from anticipated retirements or changes in Board composition. This framework supports the maintenance of Board continuity while allowing for periodic renewal in line with governance best practices.

Throughout the financial year under review, the NRC continued to support the Board in its succession planning efforts, with particular emphasis on preserving an appropriate mix of skills, experience and expertise that aligns with the PETRONAS Group's strategic direction. In discharging this responsibility, the NRC also reviewed the tenure of INEDs to ensure continued compliance with regulatory requirements and governance expectations.

The identification and selection of Independent Non-Executive Director candidates were undertaken through a robust and structured assessment process. Potential candidates were evaluated based on predefined criteria, including qualifications, relevant experience, skills, independence and integrity. These assessments were guided by the Board Succession Planning Framework, the Board Appointment Process and the Directors' Fit and Proper Policy.

Changes to Board Composition during FY2025

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

- Appointment of Datuk Dr. Yatimah Sarjiman as Independent Non-Executive Director in place of Datuk Yeow Kian Chai, effective 24 April 2025. Following a comprehensive assessment, the NRC determined that there were no adverse findings or material concerns in relation to Datuk Dr. Yatimah's appointment. She met all requirements under the PGB Directors' Fit and Proper Policy. The NRC was satisfied that the relevant integrity and suitable conflict of interest (COI) assessments had been duly undertaken, and that appropriate measures were in place to address any potential COI that may arise for her other directorships.
- Appointment of Ms Lim Li Ping as Non-Independent Non-Executive Director in place of Cik Marina Md Taib, effective 24 April 2025. Following a comprehensive assessment, the NRC determined that there were no adverse findings or material concerns in relation to Ms Lim Li Ping's appointment. She met all requirements under the PGB Directors' Fit and Proper Policy, and the NRC was satisfied that relevant integrity, suitability and measures to mitigate any potential COI that may arise in view of her current role and directorship within PETRONAS Group.
- Appointment of Encik Yusa' Hassan as Independent Non-Executive Director, effective 10 June 2025. Following a comprehensive assessment, the NRC determined that there were no adverse findings or material concerns regarding Encik Yusa's appointment. He met all requirements under the PGB Directors' Fit and Proper Policy and the NRC was satisfied that the relevant integrity, suitability and COI considerations had been appropriately assessed and addressed.
- Appointment of Encik Izwan Ismail as Non-Independent Non-Executive Director in place of Puan Hasliza Othman, effective 15 September 2025. Following a comprehensive assessment, the NRC determined that there were no adverse findings or material concerns in relation to Encik Izwan Ismail's appointment. He met all requirements under the PGB Directors' Fit and Proper Policy, and the NRC was satisfied that the relevant integrity, suitability and measures to mitigate any potential COI that may arise in view of his current role and directorship within PETRONAS Group.
- Resignation of Cik Marina Md Taib and Puan Hasliza Othman as NINEDs, effective 24 April 2025 and 1 June 2025, respectively. The Board extended its appreciation to both Cik Marina and Puan Hasliza for their contributions during their tenure and acknowledged their role in advancing the Company's governance agenda.
- Furthermore, in line with governance expectations applicable to Ministry of Finance Incorporated linked companies, the Company has adopted a policy establishing a maximum age limit of 75 years for Board members and Chief Executive Officer, applicable to new appointments and extension of service tenure. The policy provides a structured and transparent framework for Board renewal, while continuing to recognise the value of experience, organisational knowledge and leadership capability in supporting the Company's strategic objectives and long-term sustainability.

  In accordance with the above policy and the provisions of the Company's Constitution, Datuk Yeow Kian Chai, having reached the age of 75, retired from the Board at the conclusion of the 42nd Annual General Meeting (AGM) and did not seek re-election. Datuk Yeow continued to serve on the Board until the conclusion of the AGM. The Board and the NRC recorded their appreciation for Datuk Yeow's valuable contributions, experience and dedicated service during his tenure.

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

Senior Management Succession Plan

In addition to overseeing Board succession planning, the NRC is also responsible for ensuring the establishment and maintenance of a structured succession plan for the Managing Director, Chief Executive Officer and Senior Management. This approach supports leadership continuity and the development of a robust talent pipeline to underpin the PGB Group's long-term strategic objectives.

During the financial year under review, the NRC continued to evaluate the composition of Senior Management to ascertain whether the requisite competencies, experience and leadership capabilities are in place to support the Company's strategic priorities.

The NRC remains focused on maintaining a strong pool of internal candidates for senior leadership positions, with particular emphasis on identifying and developing high potential talents through targeted development and exposure opportunities.

The NRC continues to emphasise to the Board the importance of proactive talent management, effective workforce planning and the strengthening of internal talent pipelines. These measures are viewed as fundamental to the Group's ability to attract, develop and retain capable leaders, thereby supporting long-term business sustainability and maintaining competitiveness in an evolving operating environment.

Directors' Re-Election

In line with its responsibilities and commitment to sound corporate governance, the NRC reviewed Directors due for retirement by rotation in accordance with the Company's Constitution, the MMLR of Bursa Malaysia and established governance best practices.

Following a structured assessment process, the NRC endorsed the Directors due for retirement and re-election before submitting its recommendations to the Board for consideration and, subsequently, to shareholders for approval at the AGM.

Recommendations for re-election were made following rigorous evaluation process. This process included an annual performance assessment of each Director, an assessment of independence for INEDs and an evaluation against the Directors' fit and proper criteria. In arriving at its recommendations, the NRC carefully considered the contribution, competency, commitment and independence of the Directors concerned, with the objective of maintaining an effective, balanced and high-performing Board aligned with the PGB Group's long-term strategic direction.

Nomination and Remuneration Committee Report

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 Mark Victor Rozario
- Abdul Aziz Othman

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

- Datuk Dr. Yatimah Sarjiman
- Yusa' Hassan
- Lim Li Ping
- Izwan Ismail

At its meeting on 19 February 2026, 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 43rd AGM, with Datuk Mark Victor Rozario, who expressed his intention not to seek re-election and will retire from the Board by rotation at the forthcoming AGM. Datuk Mark Victor Rozario will continue to serve until the conclusion of the 43rd AGM of the Company.

The NRC was satisfied with the outcome of the review conducted by the BAC on 16 February 2026, in respect of Encik Abdul Aziz Othman, Ms Lim Li Ping and Encik Izwan Ismail and noted that the relevant COI and any potential COI considerations, including the adequacy of mitigation measures, had been appropriately assessed and addressed, taking into account their respective roles and directorships within the PETRONAS Group.

In respect of Datuk Dr. Yatimah and Encik Yusa' Hassan, the NRC was satisfied with the outcome of the review conducted by the BAC on 16 February 2026 and noted that the relevant COI and potential COI considerations, including the adequacy of mitigation measures, arising from their other directorships had been duly assessed and addressed.

MD and CEO and Senior Management Performance Appraisal

During the financial year under review, the NRC conducted a comprehensive assessment of the performance of the Managing Director, Chief Executive Officer and Senior Management. This evaluation was carried out against the targets and expectations set out in the 2025 performance scorecard, taking into consideration both quantitative and qualitative performance measures.

The appraisal process included a review of achievement against key performance indicators, delivery of strategic and operational priorities and progress against critical milestones. The NRC also considered broader aspects of leadership, including the effectiveness of execution, financial stewardship, operational efficiency and alignment with the PGB Group's long-term growth and value creation objectives.

In its deliberations, the NRC placed emphasis on leadership effectiveness, accountability and adherence to sound corporate governance practices, and sustainability commitments. The outcome of the performance assessment formed the basis for determining remuneration outcomes, thereby reinforcing a performance-driven culture and ensuring alignment between leadership performance, shareholder interests and the long-term sustainability of the PGB Group.

Board Effectiveness Evaluation

During the year under review, the NRC endorsed the appointment of an independent consultant to conduct the Board Effectiveness Evaluation 2025 (BEE 2025). This is in line with Practice 6.1 of MCCG whereby the engagement by the Board of an independent third-party leadership consulting firm at least every three years is recommended to facilitate an objective and candid board evaluation.

For 2025, the BEE 2025 was conducted externally by an independent third-party consultant to ensure objectivity and impartiality in the assessment process. The evaluation framework covered ten key parameters, namely Board leadership; Board composition, skills and development; Board Committees; Board governance and processes; Board agendas, meetings and information; Board dynamics and culture; Board and management relationship; Board and stakeholder engagement; Board and sustainability matters; and Board crisis management responses.

The evaluation was carried out through a structured process that included the administration of detailed questionnaires to all directors, complemented by individual interviews to obtain qualitative insights and deeper perspectives on Board performance and areas for improvement.

Board Effectiveness Evaluation 2025 Review

The NRC reviewed the outcome of the Board Effectiveness Evaluation 2025 (BEE 2025) 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 2025 were presented to the NRC and Board meetings held on 19 February 2026 and 24 February 2026 respectively. The Board noted the findings and areas that required further improvements.

Based on the analysis of the findings from the BEE 2025 report, the key strengths of the Board are visible in the following areas:

(i) The Board has demonstrated a high level of effectiveness, sound governance structures, disciplined committees and a constructive Board-Management relationship. The Board operates within a professional and collegial culture. Directors bring strong governance discipline, financial expertise and constructive dynamics, supported by an engaged and effective Chair.

(ii) The Board is perceived to be performing well, particularly in governance, oversight structures and stewardship, with robust compliance, risk oversight and decision-making frameworks aligned to regulatory and governance expectations.

(iii) The Board, including its Board Committees, are generally effective, disciplined and well-structured, with clear mandates aligned to the organisation's needs and strategic priorities

Three of the key areas for improvement highlighted in the BEE 2025 are to balance between strategic challenge and operational discussion, sharpening decision-oriented agendas and committee reporting, and strengthening people, talent, succession and wellbeing oversight as a core strategic priority. These key areas for improvement are further elaborated as follows:

(i) Recalibrate Board-Management expectations on the level of strategic challenge, debate and forward-looking input required at the Board level. Focus discussions more on long-term plans and emerging threats, rather than reviewing specific projects.

(ii) Curate a dynamic Board-led and decision-oriented agenda, supported by Independent Directors' alignment and disciplined pre-syndication.

(iii) Strengthen oversight of People, Culture and Leadership Succession Planning through more structured reporting, clearer metrics and deeper Board engagement on talent and workforce sustainability and well-being.

The result of the BEE 2025 for the Board, Board Committees and Individual Directors has 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's performance. The individual results of the Directors' Self and Peer Assessment will also be used as consideration for directors going for re-election in 2026, and the full set of the results was provided to the Chairman of the Board and the NRC Chairman.

Annual Reporting

During the financial year under review, the NRC undertook a detailed review of the disclosures contained in the Nomination and Remuneration Committee Report for the financial year ended 31 December 2025. Following this review, the NRC provided its endorsement of the Report prior to its inclusion in the Integrated Report.

The review process was conducted to ensure that the disclosures were prepared in accordance with applicable regulatory requirements, including the MMLR of Bursa Malaysia and the Malaysian Code on Corporate Governance, as well as relevant governance guidelines. Particular emphasis was placed on the accuracy, transparency and completeness of information disclosed.

Through this process, the NRC sought to confirm that the Report reflects best practice in corporate governance reporting and provides shareholders and stakeholders with a clear and balanced account of the NRC's roles, activities and key considerations during the year under review.

NRC's Effectiveness Review and Performance

Based on the 2025 BEE findings, the Board believes that the NRC demonstrates strong governance discipline, including regular review of committee TOR and relevant policies. Succession planning at the Board level has been handled in a timely and orderly manner, with the identification and appointment of four new members implemented smoothly through established NRC processes.

Summary of Activities of the NRC During FY2025

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 42nd AGM and provided recommendations to the Board.
- Evaluated and reviewed the nomination of the INEDs and NINEDs.
- Reviewed and assessed the Board Succession Planning framework to ensure leadership continuity and sustainability.

Nomination and Remuneration Committee Report

Senior Management's Appointment, Remuneration and Performance

- Reviewed and endorsed the Employee Performance Ratings for PGB's Senior Management for financial year 2025 (FY2025).
- Assessed and approved the 2025 scorecards for the MD/CEO and Direct Reports, ensuring alignment with corporate objectives and the sustainability agenda. The MD/CEO and Direct Reports' sustainability key performance indicators and targets are linked to remuneration.
- Reviewed and approved revisions to the manpower cost for the MD/CEO for FY2025.
- 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 FY2025, ensuring an objective and transparent assessment process.

Board Effectiveness and Evaluation

- Assessed the findings from the BEE for FY2024 and monitored the implementation of recommended actions.
- Reviewed and approved the BEE questionnaires for FY2025 to ensure a comprehensive evaluation of governance effectiveness.
- Reviewed and approved appointment of Third Party Service Provider for BEE.

DATUK MARK VICTOR ROZARIO
Chairman
Nomination and Remuneration Committee

Board Sustainability and Risk Committee Report

SUJIT SINGH PARHAR S/O SUKHDEV SINGH
Chairman, Board Sustainability and Risk Committee

Dear Valued Shareholders,

During the financial year under review, there were changes in the composition of the Board Sustainability and Risk Committee (BSRC) following the cessation of Datuk Yeow Kian Chai as Chairman of the BSRC upon his retirement from the Board on 23 April 2025. Consequent to this, Mr. Sujit Singh Parhar s/o Sukhdev Singh, who previously served as a member of the BSRC, was redesignated as the Chairman, while two Independent Non-Executive Directors (INEDs) who joined the Board during the year were appointed as new members of the BSRC. These changes further enhanced the BSRC's independence, breadth of perspectives and collective expertise. Under the leadership of its new Chairman, the BSRC continued to discharge its oversight responsibilities, particularly in relation to the Group's enterprise risk management and sustainability related matters.

The BSRC continues to support the Board through its mandate, which reflects the Company's commitment to integrating sustainability and Environmental, Social and Governance (ESG) considerations alongside risk governance in a cohesive and strategic manner. During the year under review, the Committee operated under its existing Terms of Reference (TOR), continued to carry out its responsibilities in line with the Committee's broader oversight of risk and sustainability matters. This ensured continued clarity of roles and responsibilities and alignment with the Company's governance framework.

These governance arrangements support PGB's ongoing efforts to strengthen sustainability and risk oversight and reinforce responsible business practices across the Group. This report outlines the key activities undertaken by the BSRC during the financial year under review, providing an overview of how the Committee has supported the Board in enhancing risk governance and sustainability matters towards business resilience.

Terms of Reference

PGB remains firmly committed to the adoption and continuous enhancement of sound governance, risk management and sustainability practices.

The TOR clearly set out the authority, roles and responsibilities of the BSRC, supporting a robust governance structure that promotes accountability, transparency and responsible decision making specifically in the areas of Enterprise Risk Profile, Risk Appetite, Risk Monitoring, Risk Assessment for Decision Making, Sustainability, High Impact Business Matters and Governance.

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

Composition

The BSRC comprises five INEDs. Each member brings relevant experience, industry knowledge and professional judgement, enabling the Committee to effectively discharge its responsibilities with independence and objectivity.

All members of the BSRC demonstrated full commitment to their roles, with full attendance recorded at Committee meetings during the financial year ended 31 December 2025. In compliance with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia, 80 per cent of the BSRC members have completed the Mandatory Accreditation Programme (MAP) Training II. The remaining member, appointed on 10 June 2025, is within the prescribed 18-month timeframe to complete MAP II, which will conclude in December 2026. None of the BSRC members has appointed alternate directors.

The Board is satisfied that the current composition of the BSRC is appropriate and provides the necessary depth of expertise, independence and oversight required to support the Committee's expanded mandate.

Board Sustainability and Risk Committee Report

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

Chairman

SUJIT SINGH PARHAR S/O SUKHDEV SINGH
(Independent Non-Executive Director)
(redesignated as Chairman of BSRC on 24 April 2025)

Date of appointment: 22 November 2021 | **Tenure:** 4 years 3 months

Member

FARINA FARIKHULLAH KHAN
(Senior Independent Non-Executive Director)

Date of appointment: 25 May 2021 | **Tenure:** 4 years 9 months

DATUK MARK VICTOR ROZARIO
(Independent Non-Executive Director)

Date of appointment: 1 June 2021 | **Tenure:** 4 years 9 months

DATUK DR YATIMAH SARJIMAN
(Independent Non-Executive Director)

Date of appointment: 24 April 2025 | **Tenure:** 10 months

YUSA' HASSAN
(Independent Non-Executive Director)

Date of appointment: 10 June 2024 | **Tenure:** 8 months

The profile of the BSRC members are as disclosed on pages 82, 83, 84, 86 and 87 of this Integrated Report 2025.

Meetings and Attendance During the Financial Year

To facilitate effective planning and ensure full participation by all members, the schedule of BSRC meetings for the year under review was established in November 2025, allowing sufficient lead time for members to incorporate the meetings into their respective calendars. The Committee met on a quarterly basis, with additional meetings convened as required to address specific matters within its remit.

During the financial year ended 31 December 2025, the BSRC held a total of six meetings in the discharge of its governance and oversight responsibilities.

Details of individual members' attendance are set out on page 105 of this Integrated Report 2025.

The Managing Director/Chief Executive Officer, the Chief Financial Officer, the Head of Legal and the Head of Risk Management attended the BSRC meetings to provide insights, updates and clarifications on matters tabled for discussion. The Company Secretary acted as the Secretary to the Committee, ensuring the orderly conduct of meetings and compliance with governance and procedural requirements.

Risk management and sustainability continued to be key focus areas for the BSRC. The Head of Risk Management presented regular updates on risk monitoring activities and the Group's corporate risk profile. In parallel, the Head of Sustainability presented periodic updates on the Sustainability initiative and performance. Where relevant, members of the Leadership Team were invited to attend meetings to brief the Committee on strategic initiatives and business matters with significant risk and sustainability implications.

To enhance efficiency and support informed deliberations, meeting agendas and supporting papers comprising both qualitative and quantitative information were circulated to Committee members at least five days prior to each meeting through a secure digital collaboration platform. This facilitated timely access to information while safeguarding the confidentiality of sensitive materials.

Key matters deliberated during the year included business strategy, PGB's Risk Appetite and Enterprise Risk Report (ERR), sustainability strategy, initiative and performance, including governance-related matters and newly established regulations and requirements.

All proceedings were formally documented, with minutes of each meeting duly recorded, confirmed at subsequent BSRC meetings and presented to the Board for notation.

Summary of Activities of the BSRC During the Financial Year 2025

Throughout the financial year, the BSRC remained focused on the effective discharge of its core responsibilities, in overseeing risk management, governance and sustainability matter across PGB. The Committee played an active role in reviewing key risks, assessing adequacy of risk management, monitoring compliance with applicable laws and regulations, and providing guidance to the Board on matters with potential risk and sustainability implications, in alignment with regulatory requirements and best practices.

Enterprise Risk Profile

In discharging its risk oversight responsibilities, the BSRC reviewed and endorsed the Enterprise Risk Profile (ERP) annually for recommendation to the Board for approval. The ERP serves as a key risk management tool, providing a structured approach to the identification, assessment and monitoring of principal risks and the effectiveness of related mitigation measures, thereby supporting the proactive management of risks.

During the year under review, the BSRC endorsed eight principal risks: Health, Safety, Security and Environmental; Operational; Project Delivery and Contractor; Reputational; Legal and Regulatory; Climate and Sustainability; Financial and Credit; and Cyber Security. These risks, together with their mitigation status and outlook, were presented to the BSRC on a quarterly basis to obtain strategic guidance and to ensure their integration into decision-making and ongoing monitoring processes.

The risks details are in Risks Linked to Strategy on pages 48 to 51 of this Report.

Risk Appetite

The Committee conducted quarterly reviews of risk appetite thresholds to identify any breaches and, where necessary, recommended appropriate mitigation measures. This process provided assurance that the risks undertaken remained within the approved risk appetite while supporting the company's strategic and business objectives. In addition, the BSRC reviewed and endorsed the risk appetite thresholds for financial year 2025, thereby reinforcing a structured framework that defines acceptable risk parameters for PGB.

Risk Monitoring

To ensure the robustness and effectiveness of PGB's risk management practices, the BSRC reviewed Key Risk Indicators and assess the adequacy and effectiveness of mitigation measures on a quarterly basis as part of ERR.

Risk Assessment for Business Decisions

The BSRC was actively involved in the review of key business proposals, with a focus on assessing the associated risks and the adequacy of proposed mitigation strategies.

Particular attention was given to business decisions for key and critical areas including:

- High-exposure commercial transactions
- Strategic partnerships and capital projects
- New business ventures and special projects
- Expansion into new markets and business models

Through this process, the Committee supported informed decision-making and ensured that material risks were appropriately considered and managed in line with PGB's risk appetite and strategic objectives.

Sustainability

As a central forum for sustainability discussions, the BSRC continued to oversee PGB's ESG agenda, reviewing performance updates and ensuring compliance with relevant regulations. Key deliberations included the external verification of PGB's sustainability report and progress towards compliance with the National Sustainability Reporting Framework (NSRF) requirements of the International Financial Reporting Standard (IFRS) S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures).

Under the Committee's guidance, PGB successfully aligned its reporting with IFRS S2 and will continue the journey to comply with IFRS S1 by 2027, as mandated by NSRF.

Beyond internal ESG performance, the BSRC also considered external developments, including the National Climate Change Policy 2.0 and the Government's announcement of a carbon tax effective in 2026. These insights ensured that PGB remained well-positioned to navigate regulatory changes while capitalising on emerging opportunities.

Board Sustainability and Risk Committee Report

Performance updates on PGB's four sustainability pillars—Sustainable Value Creation, Safeguarding the Environment, Positive Social Impact and Responsible Governance—were also reviewed by the Committee. The BSRC assessed any deviations from set targets, validated achievements and acknowledged key milestones, including the 2025 FTSE4Good assessment result of 4.7.

High-Impact Business Matters

Strategic and high-impact projects remained a key focus for the BSRC. The Committee reviewed Final Investment Decisions, project progress updates, and strategic partnerships to evaluate the feasibility, associated risks and commercial viability of major investments. These deliberations ensured that significant business initiatives were aligned with PGB's long-term growth objectives and risk appetite, supporting informed and prudent decision-making by the Board.

Governance

The Committee conducted a review of PGB's corporate governance framework to ensure its continued alignment with the company's business strategy. In addition, the BSRC assessed PGB's compliance with the Malaysian Code on Corporate Governance 2021 , noting that the company had applied almost all of the exemplary practices set out in the code, demonstrating its commitment to high standards of governance and accountability.

Annual Reporting

In support of regulatory compliance and transparency, the BSRC reviewed the Board Sustainability and Risk Committee Report as well as the Statement on Risk Management and Internal Control for the financial year ended 31 December 2025.

The review focused on confirming that the disclosures were prepared in accordance with the requirements of the MMLR of Bursa Malaysia and other relevant governance guidelines. Particular emphasis was placed on the adequacy, accuracy and clarity of the disclosures to provide shareholders and stakeholders with a balanced and meaningful understanding of the Group's risk management, sustainability and internal control practices prior to submission to the Board for approval.

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.

SUJIT SINGH PARHAR S/O SUKHDEV SINGH
Chairman
Board Sustainability and Risk Committee

Statement on Risk Management and Internal Control

This Statement is issued in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, which requires the Board of Directors to provide a statement on the adequacy and effectiveness of the Group's risk management and internal control framework.

The Board of Directors oversees a framework designed to support the orderly and effective conduct of PETRONAS Gas Berhad and its subsidiaries (Group)'s activities, safeguard assets and support the delivery of the Group's strategic objectives. The Board acknowledges risk management and internal control as integral components of governance and decision-making, operating across all levels of the organisation.

The Group's approach to risk management and control is shaped by the adoption of PETRONAS' shared values of loyalty, integrity, professionalism and cohesiveness. These values shape behaviours, establish expectations and reinforce accountability across the organisation, forming the foundation of a disciplined approach to managing risk and maintaining effective internal controls.

Role and Responsibilities of the Board

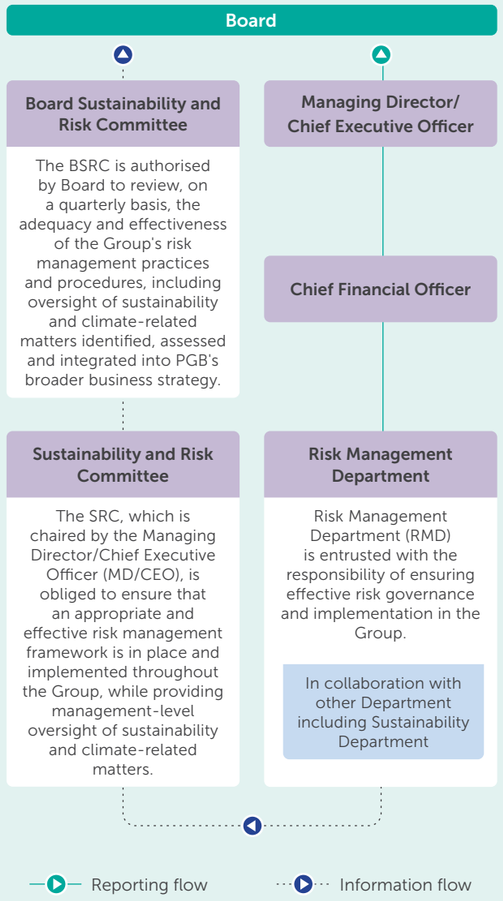
The Board is responsible for determining the nature and extent of risks it is willing to take in pursuing the Group's objectives and for maintaining sound systems of risk management and internal control. During the year under review, the Board considered the principal risks facing the Group and reviewed the effectiveness of the frameworks and processes in place to manage them, including compliance with applicable laws and regulatory requirements.

In carrying out this responsibility, the Board recognises that internal control systems are designed to manage the risks to as low as reasonably practicable rather than eliminate them entirely. As such, these systems provide reasonable assurance against material misstatement, loss or failure to meet business objectives, taking into account the inherent limitations of any control framework.

Risk Oversight Structure

A formal governance structure supports effective risk oversight, including sustainability-related risks, by enabling the timely flow of information from management to the Board. Risks are reviewed at various management committee levels within the Group before being deliberated at the PETRONAS Gas Berhad Sustainability and Risk Committee (SRC) and subsequently the Board Sustainability and Risk Committee (BSRC). This layered oversight strengthens risk detection and prevention, promotes consistency and accountability, and ensures appropriate integration into decision-making and monitoring processes.

High Level Risk Oversight Structure



Notes:
- *Risks are also reviewed at various levels, namely at Divisional Plant Leadership Team, Project Steering Committee, as well as Credit Risk Management Committee*
- *Sustainability and climate-risk matters include sustainability and climate-related strategy, risk management, metrics and targets and governance are also deliberated at Sustainability Working Committee*

Statement on Risk Management and Internal Control

Risk Management Practices

The Group risk management approach is anchored on the Risk Management Policy that communicates the Board's and Management's expectations on risk management implementation and business continuity practices. This drives the adoption of best practices and integrating risk-based decision making into the processes of value protection and creation. By ensuring a balanced view of exposures, this approach aligns with our commitment to achieving business objectives while strengthening organisational resilience.

Supporting this policy is the Risk Management Framework that aligned with the PETRONAS Resiliency Model, a holistic model that brings together risk, preparedness and continuity into a single, integrated framework. It focuses on the three areas, namely Enterprise Risk Management (ERM), Crisis Management (CM) and Business Continuity Management (BCM), to strengthen existing practices by linking enterprise-wide risk management with crisis response capabilities and business continuity planning, reinforcing the Group's overall operational resilience.

Rather than treating risk management as a standalone control function, the framework enables risks to be considered in the context of potential disruption and recovery, supporting informed decision making across the Group and reinforcing its ability to respond effectively to both anticipated and emerging challenges.

PGB Risk Policy

- **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**

PETRONAS Resiliency Model (Adopted by PGB)

Enterprise Risk Management

Structured and holistic approach to identify, assess, manage and monitor risks. The aim is to **REDUCE** the likelihood and impact of identified risks to enhance the organisation's ability to achieve its strategic objectives.

Crisis Management

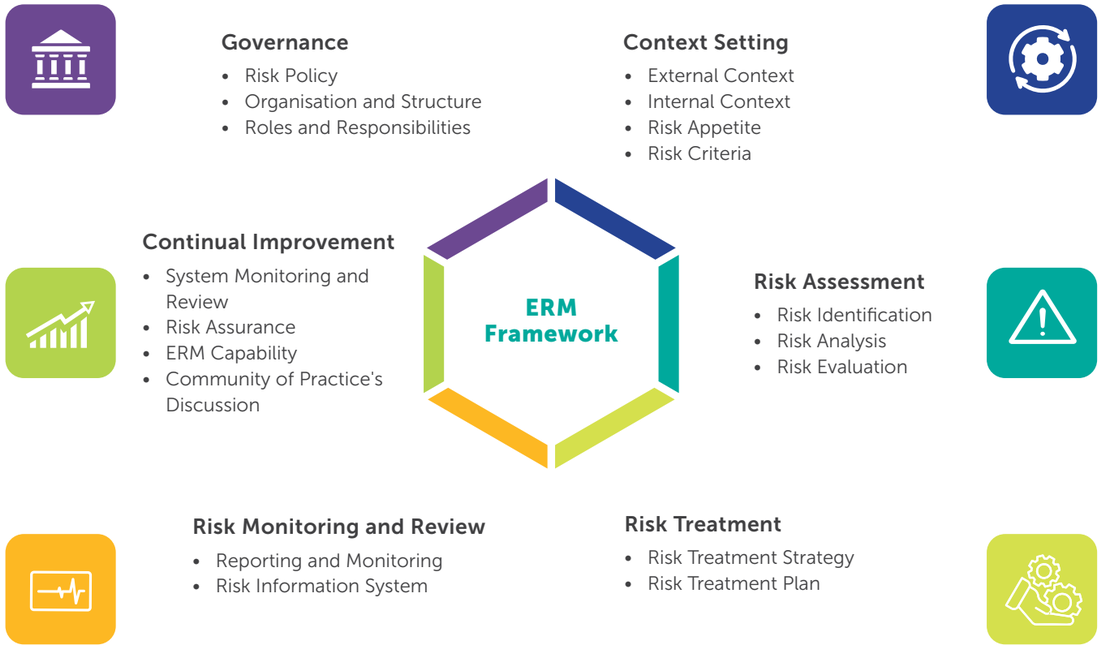
Comprehensive set of processes that aims to prepare the organisation to **RESPOND** and manage crises to protect people, environment, assets and reputation.

Business Continuity Management

Holistic management process that aims to build the capacity of an organisation to **RECOVER** and continue delivering products or services at acceptable predefined levels following a prolonged disruptive incident.

Enterprise Risk Management

The Group's ERM is aligned with the PETRONAS ERM Framework, which is based on ISO 31000:2009 Risk Management requirements. This alignment provides a consistent foundation for identifying, assessing and managing risks across business units, functions and geographies, while allowing sufficient flexibility to reflect the nature and scale of individual operations.



To support clarity and consistency in risk-taking, the Group has formalised its risk appetite, which articulates the extent and types of risk the Group is prepared to accept in the execution of its strategy. This risk appetite is reviewed on an annual basis to reflect changes in the operating environment, strategic priorities and performance expectations, and serves as a reference point for evaluating risk exposures and management actions.

PGB Risk Appetite

Strategic
- Capital investment returns
- Portfolio distribution

Financial
- Key performance on capital, profitability and liquidity

Operational
- Health, safety and environment
- Operational excellence
- Project excellence
- Information Communication Technology (ICT)

Reputational
- Sentiments in mainstream media

Legal and Regulatory Compliance
- Compliance to the legal and regulatory requirements including the five Critical Legal Areas
- Bribery and Corruptions cases

Statement on Risk Management and Internal Control

A structured risk profiling and assessment process is applied to identify and evaluate risks that may affect the Group's ability to achieve its objectives. This process is aligned with the Group's approved strategies and business plans and is conducted collaboratively, drawing on the knowledge and experience of Management and relevant subject matter experts across divisions and functions. Discussions focus on material risks, emerging trends and interdependencies, supporting a comprehensive view of the risk landscape and reinforcing timely and informed risk responses. The following structured process within the ERM Framework was adopted:

Context Setting

- Define the scope of the risk assessment (i.e. Business Decision/Risk Profile/Project)
- Understand external environment and consider the strategic, organisational/business objectives, Key Performance Indicator, stakeholders' expectations, preliminary risks
- Determine the Risk Appetite (the amount of risk that an organisation is willing to pursue)

Risk Assessment

Risk Identification

- Develop risk descriptions and statements
- Assign risk ownership
- Identify causes and consequences

Risk Analysis

- Identify and assess existing mitigations
- Determine the current risk impact
- Establish current risk rating by using the Risk Matrix

Risk Evaluation

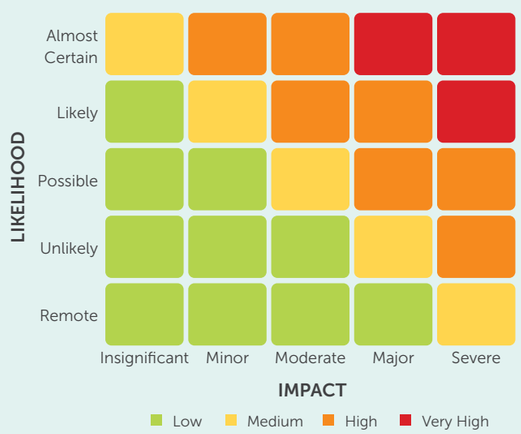
- Evaluate the level of identified risk
  - High, Medium, Low
- Evaluate which risk needs treatment
- Prioritise risk which requires treatment implementation

Risk Assessment

Identify risk treatment strategy → Identify new mitigations for each identified risk → Determine the new risk impact → Establish target risk rating by using the Risk Matrix

Risk Assessment

- Identify Key Risk Indicators (i.e. leading and lagging) as the triggering mechanism
- Monitor risk updates through Risk Information System
- Quarterly report risk status to SRC and BSRC
- Annual review of the Enterprise Risk Profile and approval at the Board



Risk Matrix

As part of the risk profiling process, each risk is assessed based on its **likelihood**, which reflects the probability of the risk occurring, and its **impact**, which indicates the severity of consequences if the risk materialises. These assessments are performed using both **qualitative** and **quantitative** measures to ensure risks are accurately prioritised and effectively managed. This enables the organisation to focus resources on the most significant risks. A **risk matrix** is used as a key tool to support and visualise the assessment process.

As part of risk profiling and assessment, the broader operating context is first evaluated to ensure that risks identified remain relevant, comprehensive and forward-looking. This includes internal factors such as health, safety, security and environmental (HSSE) performance, audit outcomes, operational delivery and project execution. External factors–such as regulatory, climate and sustainability developments, statutory requirements and shifts in industry conditions–are also assessed. This contextual analysis enables a more informed understanding of risks that may influence the Group's performance and resilience.

Each risk's likelihood (the probability of the risk occurring) and impact (the severity of consequences should the risk materialise) are subsequently assessed. These assessments incorporate both qualitative and quantitative perspectives to ensure a comprehensive understanding of the risk level. Depending on the chosen risk management strategy, appropriate mitigation plans are developed to reduce risk exposure to an acceptable level. Risk monitoring is supported through the identification of Key Risk Indicators designed to signal changes in risk exposure or emerging trends. These indicators enable timely management attention and support early intervention where necessary. Ownership for each principal risk is clearly defined, with accountability assigned for risk oversight, mitigation execution and ongoing monitoring to promote effective implementation and reporting.

Regular reporting provides transparency over the Group's risk profile, the effectiveness of mitigation activities and developments in the broader risk landscape. Updates are provided on a quarterly basis to the Sustainability and Risk Committee and subsequently to the Board Sustainability and Risk Committee, enabling informed oversight, constructive challenge and effective guidance. Reporting also includes analysis of emerging risks, particularly those shaped by external trends, enhancing the Group's ability to anticipate and respond to evolving uncertainties.

During the year, a Group-wide review of the enterprise risk profile was undertaken, with Management and relevant subject matter experts reassessing key risks in light of current operating conditions and strategic priorities. Mitigation measures were refined and aligned with business plans and strategic initiatives, ensuring coherence between risk responses and the Group's focus areas.

Both Regas Terminal Sungai Udang Sdn. Bhd. and Pengerang LNG (Two) Sdn. Bhd., the Group's operating subsidiaries, are fully prescribed under the ERM framework and its associated practices. This ensures consistent application of overarching resilience and risk management principles across the Group's core operations.

The Group's joint venture entities–Kimanis Power Sdn Bhd, Pengerang Gas Solutions Sdn. Bhd., and Industrial Gases Solutions Sdn. Bhd. are guided on the application of the Group's Risk Policy and ERM practices. This supports alignment in risk and resilience approaches while recognising differences in governance structures and operating models within the joint venture arrangements.

Risk considerations also form an integral part of strategic and investment decision making. Risk Assessment Decision Making (RADM) are undertaken in relation to new initiatives and strategic proposals to support balanced evaluation at various governance forums, including steering committees, leadership forums and Board committees. This reinforces disciplined decision making and enhances the quality and robustness of outcomes. In addition, sustainability and climate-related risk considerations are embedded within the RADM process to support consistent assessment of strategic, operational and financial implications.

Key Development During the Year and Consideration in the Group's Enterprise Risk Management

During the year, the Board and Management recognised several key developments that had a material impact on the Group's risk profile and internal control environment. These changes were identified through continuous risk assessment, management reviews and deliberations at Management and Board Committees as follows:

1. The Putra Heights incident reflects an evolving emerging risks for gas infrastructure business and the importance of strengthening lessons learned to manage associated exposures beyond conventional asset integrity, as well as close collaboration with relevant authorities and stakeholders to support continuous strengthening of pipeline safety and reliability.

2. In line with evolving regulatory expectations, the Group is strengthening its climate-related risk management and reporting by aligning with International Financial Reporting Standards (IFRS) S2, thereby enhancing the quality, transparency and comparability of climate-related financial disclosures. As part of this enhanced approach, the Group conducted a climate-related transition risk assessment to evaluate potential impacts on operations and strategic priorities. These insights support more resilient, forward-looking planning and decision-making. Disclosures reflecting alignment with IFRS S2–including the results of the transition risk assessment–are recognised as one of the key risks under climate/sustainability risk with relevant performance measures included in this Integrated Report as well as the PGB Sustainability Report 2025.

   These changes were incorporated into the relevant Group's key risks, risk assessments and business continuity management with mitigation strategies were updated accordingly.

Statement on Risk Management and Internal Control

Key Risk Categories

Outlined below are the key risk categories with potential to influence the Group's operational, financial and sustainability performance, together with the management approaches to address them.

The risks details are in Risks Linked to Strategy on pages 48 to 51 of this Integrated Report.

a) Operational Risk

Operational risk across the Group's plants and facilities is overseen through established governance arrangements that assign clear accountability to divisional leadership. Day-to-day operational risks are identified, assessed and monitored within each division, with oversight provided by the respective leadership teams.

Risk assessments consider the potential impacts on operational continuity, safety, reliability and service delivery, with mitigation actions established, monitored and refined in line with changing operating conditions.

During the year, focused operational risk reviews were undertaken across the Gas Processing and Utilities Division and the Gas Transportation and Regasification Division to ensure effective efforts are in place to manage the exposure. These reviews resulted in updated divisional risk profiles, which were subsequently reviewed and endorsed by the respective divisional leadership forums. Ongoing monitoring supports timely interventions where the effectiveness of existing mitigation measures requires reassessment.

b) Project Delivery Risk

Project-related risks are managed through a structured governance framework that supports disciplined project execution across the lifecycle, from early development through to delivery. Oversight arrangements prioritise cost management, schedule adherence, compliance to health and safety expectations and protection of the Group's reputation. Major initiatives are overseen by dedicated steering committees that provide direction on key project delivery matters, supported by enhanced project management capabilities established during the year to strengthen governance over growth and strategic projects.

Risk considerations form an integral component of project reporting, with the status of mitigation measures reviewed regularly by leadership forums and steering committees. Capital investment decisions and portfolio reviews are supported by the Investment Steering Committee, which provides strategic input and challenge to ensure that growth initiatives remain aligned with the Group's long-term objectives and risk appetite.

c) Contractor Risk

Supply chain and contractor-related risks are managed through Group-wide procurement arrangements that leverage centralised expertise, standardised processes and clear accountability. Contractor selection includes structured risk assessments prior to contract award, with identified risks managed through agreed mitigation measures throughout project execution. This approach supports consistent standards across projects and reinforces the Group's expectations on safety, performance and compliance.

d) Financial and Credit Risk

Financial risk management is guided by Group-wide policies that promote financial resilience and prudent capital management in a dynamic operating environment. These policies provide a consistent framework for identifying, assessing and managing exposures related to liquidity, counterparty, foreign exchange and interest rate risks.

Foreign currency exposures are monitored actively, with assessments conducted at the investment decision stage for significant capital commitments to determine appropriate risk management strategies. Where appropriate, financial instruments are used selectively to manage residual exposures in accordance with approved policies and control practices.

Credit risks management is guided by the PGB Credit Guidelines, which facilitate the management of credit risk exposures based on the PETRONAS Credit Risk Rating methodology. Customers are assessed using the PETRONAS Credit Risk Rating System to ensure alignment with credit assessment practices adopted across the PETRONAS Group. The system evaluates creditworthiness and assigns credit risk ratings, which inform the setting of appropriate credit limits as a means of controlling exposure. Receivables performance is reviewed regularly to monitor ageing profiles and determine the necessary management actions. Oversight on credit risk management practices is further strengthened through the PGB Credit Risk Management Committee, ensuring compliance with the PETRONAS Financial Policy.

e) Legal & Regulatory - Third-Party Risk

In managing legal and regulatory risk arising from third-party, the Group adopt a Third-Party Risk Management (TPRM) framework to ensure robust due diligence and safeguard the organisation from potential corporate liability arising from third-party misconduct. The framework focuses on 5 Critical Legal Areas (5 CLAs), i.e. Sanctions, Export Control, Competition, Data Privacy and Ethics & Integrity. TPRM enables the Group to identify potential red flags with third parties and to implement appropriate mitigation measures or contractual safeguards before and throughout the business relationship. This helps protect the Group from legal, financial and/or reputational risks linked to the 5 CLAs. The TPRM process includes a structured due diligence screening using recommended tools, such as the Know Your Customer (or Counterparty) Self Declaration Questionnaire and Online Screening System, ensuring consistent and transparent evaluation of third-party risk.

f) Corporate Liability and Integrity Oversight

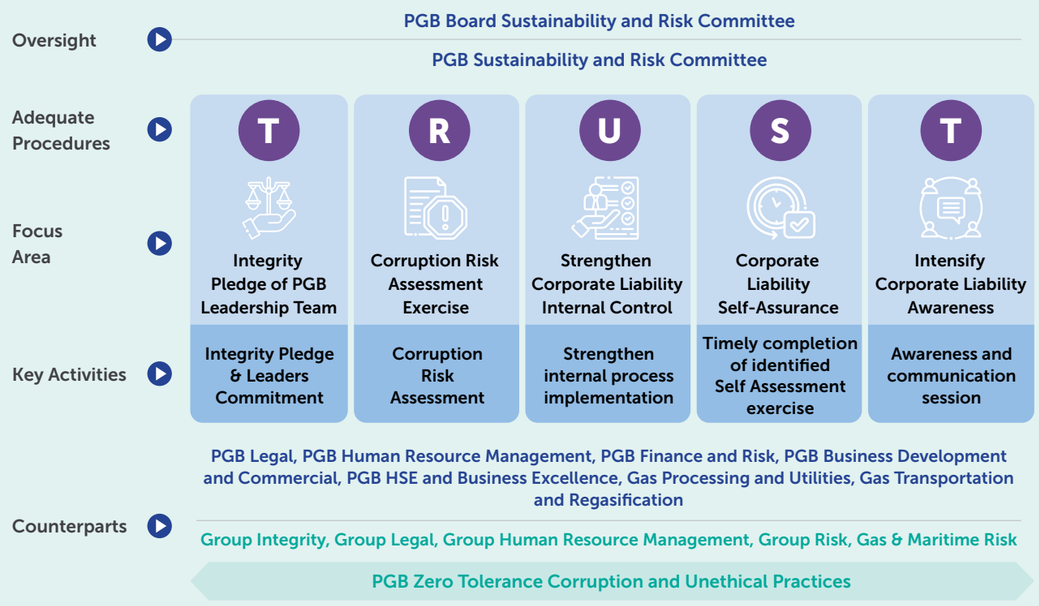
The Group recognises its responsibilities under applicable anti-corruption legislation and the importance of maintaining robust arrangements to prevent unethical conduct across the organisation. The corporate liability provisions introduced under Section 17A of the Malaysian Anti-Corruption Commission Act place a clear obligation on organisations to demonstrate that effective preventive measures are in place to mitigate the risk of bribery and misconduct.

In response, the Group has implemented an integrity framework that is aligned with the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, structured around the T.R.U.S.T. principles. These principles provide the foundation for the Group's approach to managing corruption risk and comprise top-level commitment, conduct risk assessment, proportionate policies and controls, continuous monitoring and review and strengthening of governance through training and communication.

- **T** Top-Level Commitment
- **R** Risk Assessment
- **U** Undertake Control Measure
- **S** Systematic Review, Monitoring and Enforcement
- **T** Training and Communication

The application of these principles reinforces leadership accountability, promotes a clear ethical tone from the top and embeds integrity considerations into operational and supervisory processes across the Group. Preventive measures are supported by risk-based assessments, defined ownership and targeted controls designed to address identified exposure areas. Oversight of the corporate liability programme is maintained through monitoring and reporting to the Group's senior management and PETRONAS Group Integrity.

PGB Integrity Framework



Statement on Risk Management and Internal Control

g) Health, Safety, Security and Environmental Risk

Health, safety, security and environmental risks are managed through a structured management system in line with international standards. The management system core elements focus on regulatory compliance, hazard identification and proactive risk control, supported by defined mandatory requirements that reinforce accountability across operations and projects.

Risk identification and mitigation are integrated within operational risk processes and supported by digital tools that enhance visibility of compliance status and areas requiring attention. Regular management reviews provide a structured forum for evaluating performance trends, emerging risks and lessons learnt, while structured change management processes ensure the safe execution of plant modifications and operational changes. HSSE considerations are embedded in routine leadership discussions at the Group, divisional and facility levels, reinforcing consistent oversight and continuous improvement.

The Group employs a range of independent and structured assurance activities to provide the Board and Management with confidence that health, safety, security and environmental controls are operating efficiently. These assurance activities assess both the design and practical application of the Group's management systems and risk controls across its facilities.

Assurance reviews are conducted against established internal standards and recognised international benchmarks for environmental and occupational health and safety management.

Findings from these reviews inform continuous improvement actions and support timely corrective measures where gaps are identified. The Board supports the continued use of systematic assurance as a key mechanism to strengthen operational discipline and reinforce consistent implementation of HSSE expectations across the Group.

h) Sustainability and Climate Risk

PGB manages sustainability and climate risks through a structured, enterprise-wide risk management approach, aligned with international and local standards and requirements. Key controls are integrated into core functions, including HSSE, operational management, climate and sustainability, and project delivery. This ensures climate-related risks are systematically identified, assessed, monitored and managed across business activities and the asset lifecycle.

In 2025, PGB enhanced its climate risk assessment processes to align with IFRS S2 requirements. Improvements include more granular climate risk profiling, incorporating location-specific exposures and business model considerations to strengthen the assessment and measurement of climate-related impacts. PGB also leverages the PETRONAS Group's assessment of key climate hazards to inform the evaluation of climate risks affecting PGB assets, supporting consistent, robust and decision-useful climate risk management.

i) Cyber Security Risk

Cyber security has been identified as a principal risk as the Group progresses towards a more data-driven operating model. Cyber risk is managed through adoption of the PETRONAS Enterprise Cyber Security Governance Framework, which aligns with internationally recognised standards including National Institute of Standards and Technology Cyber Security Framework (NIST CSF), Information Organization for Standardization (ISO) 27001, Security for Industrial Automation and Control Systems (ISA/IEC) 62443, Information Security Forum - Information Risk Assessment Methodology 2 (ISF-IRAM 2) and NIST 800-30. These controls provide clear accountability and assurance that infrastructure and applications are operated securely, with vulnerabilities mitigated to acceptable levels.

The Group continues to strengthen cybersecurity and data privacy measures through adherence to PETRONAS policy and framework during the implementation and adoption of appropriate technologies and digital solutions. In response to the Cyber Security Act 2024 and related regulations, the Group remains aligned with PETRONAS Cyber Security initiatives, including sector-specific compliance efforts for the National Critical Information Infrastructure, while continuing to advance PGB wide digital transformation and cyber resilience.

j) Reputational Risk

Reputation risk management is guided by the PETRONAS Reputation Management Guideline, which provides a Group-wide guide for safeguarding organisational reputation and maintaining stakeholder trust in a dynamic and highly scrutinised operating environment. The Guideline establishes a consistent approach for identifying, assessing, escalating and managing reputation-related issues arising from governance, operational activities, compliance matters and stakeholder engagements.

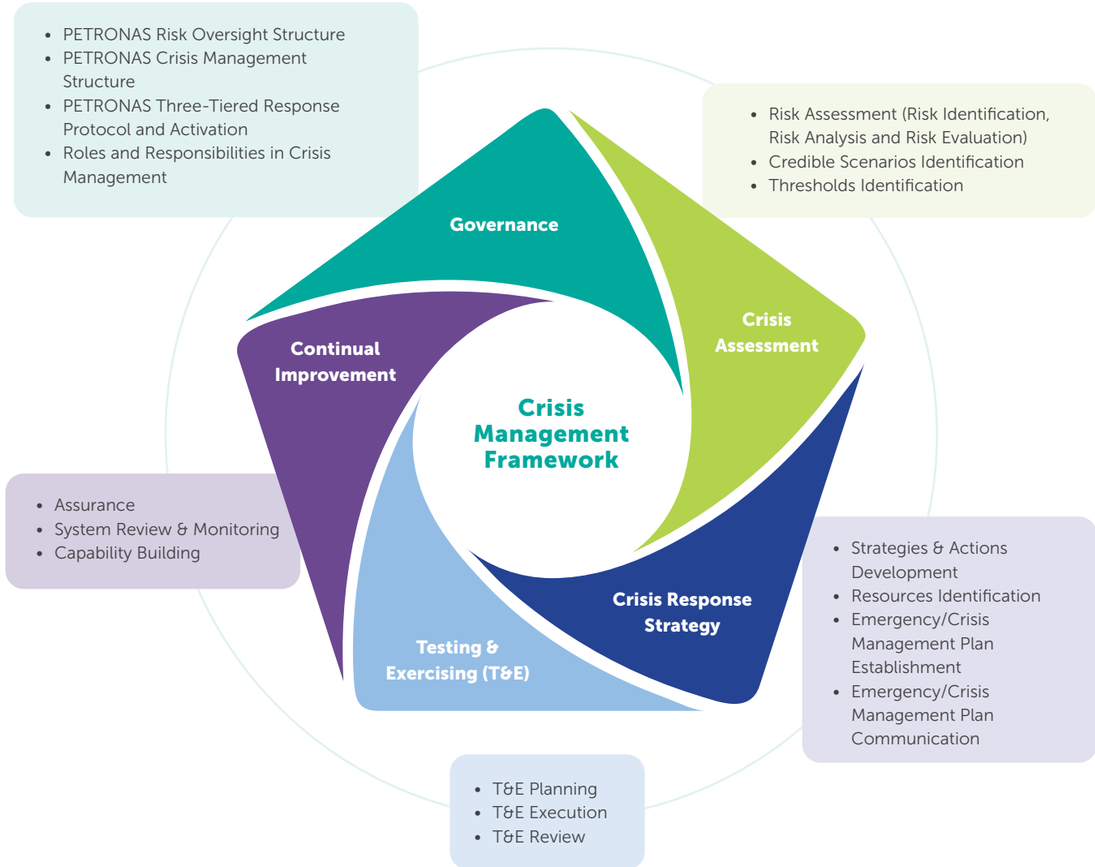
In line with this guideline, reputation considerations are embedded across PGB's governance and risk management processes. Potential reputation issues are monitored on an ongoing basis, with appropriate response and escalation mechanisms applied to mitigate adverse impacts.

Crisis Management

The Group's Crisis Management framework is aligned with the PETRONAS Crisis Management Framework to provide a consistent, structured and effective response to emergency and crisis situations across the Group. The framework establishes clear governance, escalation pathways and decision-making authority to support timely intervention when incidents occur.

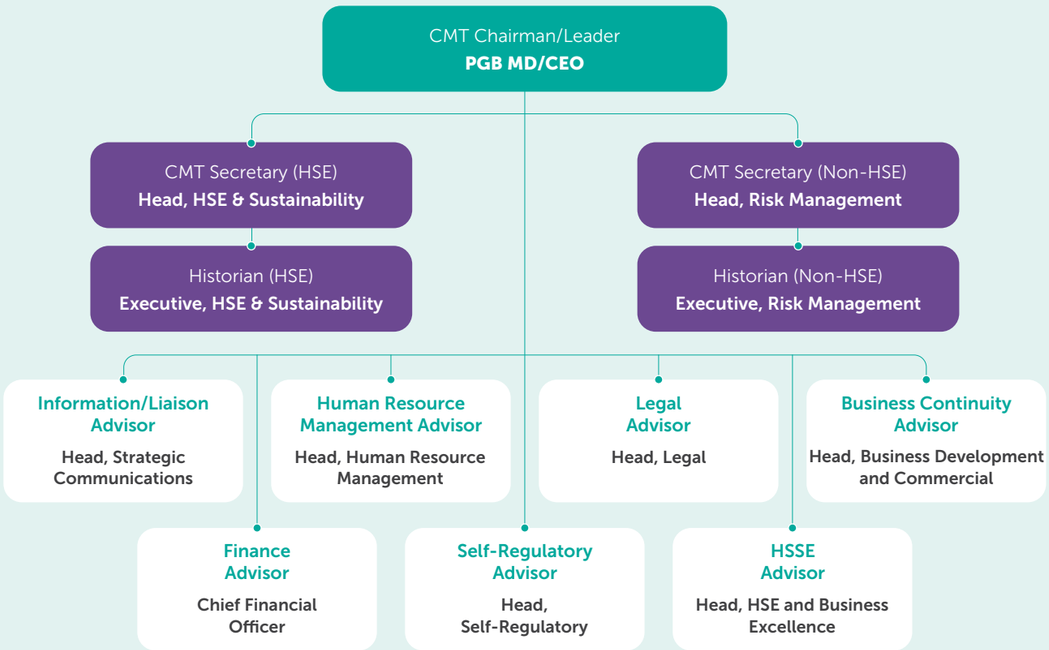
Crisis preparedness is supported through contingency planning at the Group level, which defines the roles, responsibilities and processes for managing emergencies and crisis situations. A three-tier response structure is applied, with response levels determined by the severity and potential impact of an incident. This structure provides clarity on command and control arrangements, response ownership and the capabilities required of emergency and crisis management teams, enabling an appropriate and proportionate response to protect people, the environment, assets and reputation.

The Crisis Management framework is integrated with the Group's Business Continuity Management arrangements. Where crisis events result in disruption to business operations, the relevant Business Continuity Plan is activated to maintain continuity of critical activities and services. This integration ensures that immediate response efforts are complemented by structured recovery actions, supporting operational resilience and the timely restoration of business functions.



Statement on Risk Management and Internal Control

PGB Crisis Management Team (CMT) Organisation Chart



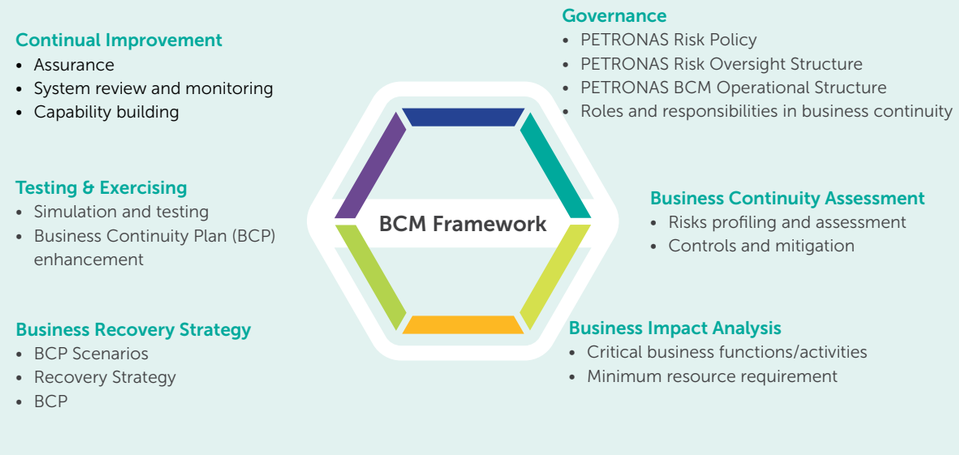
As part of its Crisis Management Plan, the Group has broadened the scope of crisis preparedness beyond traditional Health, Safety and Environment scenarios to include a wider range of non-HSE-related crisis situations. These scenarios encompass security, financial stress events, human resource related matters, legal and regulatory exposures, plant and facilities disruption, information and communication technology incidents, as well as reputational threats. This expanded coverage supports a more comprehensive and integrated approach to crisis readiness across the Group.

Given the increasing reliance on digital infrastructure, dedicated crisis action plans have been developed for information communication technology disruptions and cybersecurity incidents. These plans complement the existing Crisis Management framework and provide defined response actions, escalation protocols and coordination mechanisms to manage technology-related crises effectively and mitigate potential operational and reputational impact.

Business Continuity Management

BCM is embedded within the Group as a structured and coordinated discipline to support the sustained delivery of essential operations during periods of disruption. Oversight of BCM is centralised under RMD, which provides governance, direction and consistency in the application of BCM requirements across the Group. Execution at the divisional level is supported by designated focal persons who are responsible for driving implementation, maintaining readiness and ensuring alignment with Group level frameworks.

PGB Business Continuity Management Framework



The Group applies Business Impact Analysis as a core mechanism to assess resilience and recovery priorities. Through this process, critical business functions are identified and prioritised, with recovery timeframes established to guide response and restoration efforts in the event of disruptive incidents. The analysis is reviewed periodically to reflect changes to operations, dependencies and resource needs, supporting informed allocation of recovery capabilities.

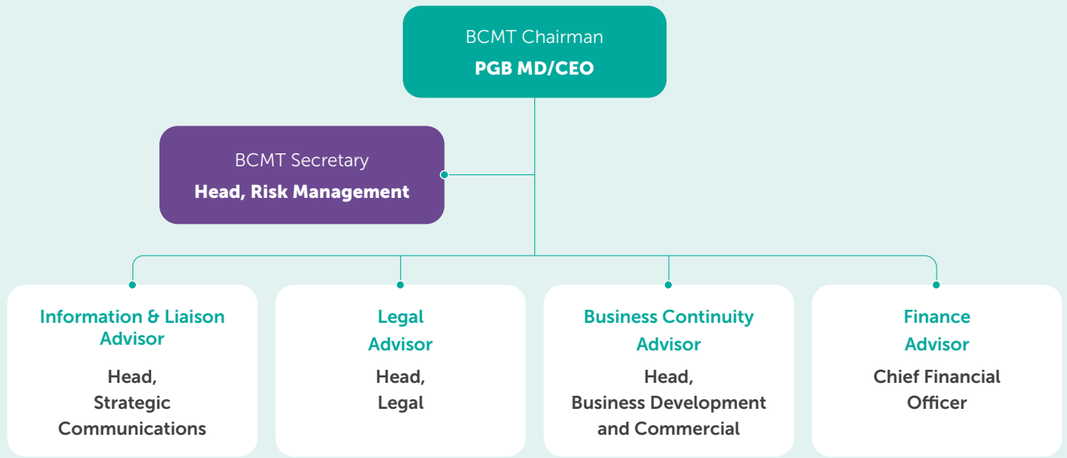
To manage operational disruption, particularly within gas and utilities supply, the Group has established Business Continuity Plans that incorporate a three-tier escalation structure. This approach enables an appropriate and proportionate response according to the severity and impact of an event, supporting continuity of supply and effective coordination across operational and leadership levels. In parallel, contingency arrangements have been developed for scenarios affecting access to the PETRONAS Twin Towers, enabling the Group's Head Office to continue critical functions through virtual operating arrangements.

Statement on Risk Management and Internal Control

RMD provides ongoing guidance to support compliance with BCM requirements, including capability development initiatives aimed at strengthening awareness and preparedness across the organisation. Assurance activities and continuous engagement programmes form part of the Group's commitment to progressive improvement of BCM maturity.

During the year, the Group conducted a series of Emergency, Crisis and Business Continuity exercises to test response arrangements, validate recovery strategies and reinforce readiness. Outcomes from these exercises were reviewed, with identified gaps and lessons incorporated into follow-up actions to further enhance the effectiveness and robustness of the Group's business continuity arrangements.

PGB Business Continuity Management Framework



Internal Audit Function

The Board regards the internal audit function as a core component of the Group's overall corporate governance and assurance architecture. Internal audit provides the Board with independent insight into how effectively governance, risk management and internal control are operating across PGB and its subsidiaries.

Internal audit work is performed by PGB Internal Audit (PGB IA), which delivers independent and objective assurance as well as advisory services over the Group's Governance, Risk and Controls. In carrying out its mandate, PGB IA operates in a manner consistent with the requirements of Bursa Malaysia, the Malaysian Code on Corporate Governance and the Global Internal Audit Standards issued by The Institute of Internal Auditors effective 9th January 2025.

To preserve independence, objectivity and professional scepticism, PGB IA has a dual reporting line: it reports functionally to the Board Audit Committee (BAC), and administratively to the Group Chief Audit Executive (GCAE) of PETRONAS. This structure allows the BAC to determine audit priorities, review significant findings and oversee the performance of the internal audit function, while day-to-day administrative matters are referred to the GCAE.

The scope, authority and responsibilities of PGB IA are set out in an Internal Audit Charter approved by the BAC. The Charter defines the purpose of internal audit, the extent of access to records, systems and personnel, and the boundaries within which the in-house internal audit function operates. It also confirms alignment with the internal audit standards and requires internal auditors to exercise due professional care, maintain appropriate proficiency and adhere to ethical requirements.

In evaluating the state of internal control, PGB IA makes reference to the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This framework enables a structured assessment of control design and operating effectiveness across all relevant dimensions - control environment, risk assessment, control activities, information and communication and monitoring activities - ensuring that key risks are appropriately assessed, managed and mitigated. PGB IA adopts a continuous risk-sensing approach to proactively identify emerging and pertinent business risks. This enables Internal Audit to assess how its activities can support risk mitigation efforts while delivering strategic insights to both the BAC and Management.

During the year under review, PGB IA executed six planned audit engagements, supplemented by ad hoc reviews commissioned to address emerging issues or specific management requests. In parallel, PGB IA completed four Analytical Assessments exercises as part of its digital transformation journey. These data-enabled activities enhance coverage, provide more timely assurance and support the early detection of anomalies or control weaknesses.

Audit coverage is driven by a risk-based three Years Rolling Strategic Audit Plan, which is developed by PGB IA and presented to the BAC for review and approval. The plan prioritises key activities, entities and processes based on their risk profile and materiality to the Group. For each engagement, PGB IA issues a report setting out observations on the adequacy and effectiveness of governance, risk management and internal controls, the underlying root causes and agreed corrective actions to be undertaken by Management.

The BAC considers PGB IA's reports and engages with Management on the proposed remediation measures. The status of the internal audit plan, key findings and the closure of agreed corrective actions arising from internal audit reports are tracked and reported to the BAC on a quarterly basis, providing the Committee and the Board with ongoing visibility over remediation progress and residual risk.

Further detail on the key activities of the internal audit function and the competencies of the audit team is provided in the Board Audit Committee Report on pages 119 to 131 of this Integrated Report.

Other Key Elements of the Internal Control System

A combination of governance oversight, structured delegations, formalised management systems and disciplined operating practices underpin the Group's internal control environment and support the effective execution of strategy and day to day operations.

a) Board Oversight

The Board exercises active oversight of the Group's governance and performance through scheduled meetings held at least quarterly, complemented by regular briefings on operational and strategic developments. Board discussions are supported by comprehensive Board papers, led by presentations from the MD/CEO, providing detailed analysis of key matters requiring consideration. Management recommendations are subjected to rigorous challenge and deliberation prior to decision making.

The Board receives structured updates on the Group's operations and emerging risks arising from changes in the business and regulatory environment. Quarterly performance reporting is provided by senior management including the Chief Financial Officer, Head of HSE and Business Excellence, Head of Risk Management and Head of HSE and Sustainability. Where enhancements to systems or controls are required, the Board considers inputs and recommendations from the BAC, BSRC and Management before determining the appropriate course of action.

b) Organisational and Committee Structure

The Group operates within a defined organisational framework that establishes clear reporting lines, delineation of responsibilities and delegated authorities. This framework supports accountability, enables effective decision making and provides a documented trail for governance and audit purposes.

Operational leadership is overseen by the PGB Leadership Team (LT), which advises the Managing Director and Chief Executive Officer on matters relating to the delivery of the Group's vision, mission, strategic direction and objectives. At the operating level, Plant Leadership Teams within the business divisions provide direction on operational matters and performance management. In addition, a network of functional committees operates across the Group to coordinate activities, oversee major projects and align execution with approved strategies and targets.

c) Limits of Authority

The decision-making authority across the Group is governed by an established Limits of Authority framework, which defines approval thresholds, accountabilities and matters reserved for Board approval. The framework is reviewed on a five year cycle and adjusted as required to reflect changes in organisational structure and business requirements.

A comprehensive review and realignment of the Limits of Authority was completed to strengthen control effectiveness and support efficient decision making. The revised framework was approved by the Board in November 2024 and implemented with effect from 1 January 2025. Similar review and approval processes were undertaken for key subsidiaries, with updated frameworks implemented on the same effective date to ensure consistency across the Group.

d) Operational Excellence and Management System

The Group's operational controls are supported by the Operational Excellence Management System, which serves as the central reference point for policies, requirements, procedures and records. The system incorporates self assurance mechanisms, continuous improvement principles and mandatory requirements that are embedded into daily work practices through a structured four level documentation hierarchy.

Assurance over operational execution is reinforced through compliance with the PETRONAS Assurance Standard, which aligns with internationally recognised ISO standards including ISO 9001 for Quality Management.

Statement on Risk Management and Internal Control

The standard supports an integrated three lines of assurance model across PETRONAS entities, promoting coordination between operational controls, management oversight and independent assurance. Business Process Management guidelines further strengthen process clarity, role definition and competency requirements in operational and maintenance activities.

The effectiveness of key elements of the management system is evaluated annually through the Management System Review. During the year, a comprehensive review was conducted at departmental and divisional levels, resulting in the identification of improvement opportunities and corresponding action plans.

e) Tendering and Procurement

Tendering and procurement activities are governed through PETRONAS Procurement Standard and managed by PETRONAS Group Procurement, ensuring appropriate segregation of duties and accountability throughout the procurement lifecycle. Tender evaluations are conducted at the relevant committee levels, with award decisions subject to approval by designated authorities independent of the evaluation process.

In determining contract awards, a balanced assessment is applied, taking into account technical capability, financial strength, quality standards, HSSE performance, delivery track record, schedule feasibility and cost competitiveness.

f) Planning, Budgeting and Performance Controls

The Group's planning and budgeting processes serve as key financial and operational control mechanisms, ensuring optimal allocation of Group resources and providing clear guidance to operational managers in making informed business decisions. These annual processes encompass the development of five-year business plans and the establishment of key performance indicators against which Group-wide, segmental and entity level performance are assessed.

Operating and capital expenditure budgets are reviewed and approved by the Board prior to the commencement of each financial year. Any additional spending requirements are managed through budget transfers or supplementary budget approvals in accordance with the Limits of Authority. Performance against approved plans is monitored and reported monthly to the PGB LT and reviewed quarterly by the BAC and the Board, with variances analysed and corrective measures deliberated and implemented where necessary.

In addition, the Group continuously reviews its strategic initiatives and growth areas amid an evolving business environment through rigorous assessment of risks and opportunities, ensuring resilience and sustainable growth.

g) Financial Reporting Control Assurance

To enhance the integrity and reliability of financial reporting, the Group has implemented the PETRONAS Financial Reporting Controls Assurance framework. This framework requires systematic documentation of key controls, remediation of identified control gaps and ongoing testing of control operating effectiveness.

The framework operates within the PETRONAS Assurance Framework and applies a Three-Lines of Assurance model, assigning clear accountability for assurance over financial reporting controls at various levels of the organisation.

Towards the end of the financial year, the PETRONAS Assurance Framework was strengthened by transitioning from the Three Lines of Assurance to the Three Lines of Defence model. This enhanced model focuses on enhancing balance in governance, compliance and assurance through clearer role demarcation across all lines, streamlined and fit-for-purpose governance documents, and risk-focused assurance approach.

These declarations are consolidated through the Statement on the Adequacy of Financial Reporting Control provided by the Chief Financial Officer (CFO) and culminating in overall assurance provided by the Managing Director and Chief Executive Officer to the Board.

h) Digital and ICT

Digital and Information and Communication Technology capabilities are leveraged as key enablers of performance insight, operational efficiency and informed decision making. The Group implements its own digital strategy and roadmap. Governance over digital initiatives is exercised through the established Decision Support Package and Value Creation Guidelines controls to ensure value realisation and disciplined execution.

i) Related Party Transactions and Conflict of Interest

The Group has established and on 25 March 2025 reviewed the Guidelines and Procedures on Related Party Transactions (RPTs), Recurrent Related Party Transactions (RRPTs) and Conflict of Interest (COI) situations to promote consistency, transparency and continuous awareness across the organisation. These Guidelines are designed to provide a structured, Group-wide approach to the identification, assessment, management and reporting of RPTs, RRPTs and COI situations.

The framework ensures that transactions involving related parties are conducted strictly on an arm's length basis, under normal commercial terms and conditions, and without prejudice to the interests of minority shareholders. It also sets out the circumstances under which transactions must be reviewed, endorsed, approved and disclosed to regulators or governing bodies, in accordance with Bursa Malaysia requirements and internal governance standards.

Defined processes are applied throughout the lifecycle of RPTs and RRPTs, including transaction identification and screening, negotiation and pricing assessment, mandate and approval mechanisms, monitoring and reporting, as well as renewal, variation or termination where applicable. Where a Director or a related party has a direct or indirect interest in a transaction, the individual is required to abstain from participation in deliberation and decision making at the Board or subsidiary level, as relevant.

Directors and related parties are required to submit annual written declarations to the Company Secretary to disclose existing or potential interests and COI situations. In addition, Directors are required to immediately notify the Company Secretary upon becoming aware of any interest in an RPT or COI situation, including during Board or Board Committee meetings. All reported RPTs and COI situations, together with mitigation measures undertaken, are reviewed by the BAC and subsequently reported to the Board in compliance with Paragraph 15.12 of the MMLR.

The Guidelines address situations in which conflicts may arise, including involvement in competing businesses, receipt of commissions or advisory fees from counterparties, participation in business transactions with the Group, or the provision or receipt of financial assistance. RPTs and RRPTs are subject to BAC review and endorsement before approval by the relevant approving authority as prescribed in the Group's Limits of Authority. RRPTs that do not require Board or shareholders' approval are reported quarterly to the BAC for oversight.

Pricing for transactions within the PETRONAS Group is required to follow market-based, industry-referenced or negotiated pricing methodologies, supported by benchmarking where practicable, to ensure arm's length principles are upheld. A centralised database is maintained to capture related parties and RPTs or RRPTs entered into by the Group.

The Board retains overall responsibility for ensuring compliance with the established Guidelines and may appoint committees or individuals to examine RPTs and RRPTs where enhanced scrutiny is deemed necessary. Bursa Malaysia has granted exemptions and waivers to PGB from shareholder mandate requirements for RRPTs with PETRONAS Group entities, subject to strict compliance with arm's length conditions.

During the year under review, the BAC concluded that all RPTs and RRPTs were conducted on normal commercial terms, reflective of prevailing market conditions and not detrimental to the interests of PGB or its minority shareholders. No material COI situations requiring BAC intervention were identified.

j) Human Resource Policies and Procedures

The Group's Human Resource policies and procedures are aligned with PETRONAS standards to support best practice Human Capital Management. These policies provide a comprehensive framework covering workforce planning, organisation design, job management, talent acquisition, capability development, succession planning, leadership development, performance management, total rewards, employee relations and industrial relations. Alignment with PETRONAS policies ensures consistency, governance discipline and sustainability of talent across the organisation.

k) Employee Performance Management

Employee performance is managed through a structured performance management framework aimed at sustaining a high-performing organisation. Clear performance indicators are established at the outset of the performance cycle, with progress reviewed periodically through regular and structured engagements between employees and their managers. Objectivity, fairness and transparency are reinforced through formal performance appraisal processes, supported by grievance mechanisms that allow employees to raise concerns relating to performance evaluation outcomes.

l) Capability Development

The Group applies a structured capability development framework addressing both technical and non-technical roles across all organisational levels. Development initiatives incorporate classroom and online learning, coaching, on-the-job exposure and formal competency assessments. Periodic assessments are conducted against defined competency standards covering Technical Know-How, leadership capabilities under EDGE and behavioural competencies. Assessment methodologies include Superior Managed Assessment for executive roles and the PETRONAS Competency Assessment Scheme for non-executive positions. Capability development progress and outcomes are reviewed quarterly by the Capability Development Working Committee, chaired by the Head of Division and People Development Committee.

m) Succession Planning

Succession Planning is guided by the PETRONAS Top Talent Management Value Chain, supporting the systematic identification and development of talent for positions critical to the Group's continuity and growth. Critical roles include corporate, business, technical & non-technical managers, HSE and certification-required positions. Succession insights enable Management to deliberate talent deployment, design targeted development plans, support career progression and facilitate internal and Group-wide mobility to address capability gaps and future leadership requirements.

Statement on Risk Management and Internal Control

n) Leadership Development

Leadership Development is recognised as essential to build a sustainable pipeline of capable leaders. The Group's leadership initiatives are anchored to the PETRONAS Capability Development Framework and integrate blended learning, experiential exposure, mentoring and on-the-job development.

High-potential employees are identified and supported through fit-for-purpose development programmes to prepare them for future senior leadership roles. Leadership behaviours are guided by PETRONAS Leadership EDGE competencies and Cultural Beliefs, promoting alignment with organisational values and effective leadership across the Group.

o) Code of Conduct and Business Ethics

The Group adopts and applies the PETRONAS Code of Conduct and Business Ethics (CoBE) as the cornerstone of ethical governance and behavioural standards across all levels of the organisation. The CoBE, which is publicly accessible via the Group's website at www.petronas.com/pgb, sets expectations relating to discipline, professionalism, integrity, loyalty and cohesiveness that underpin responsible conduct and long-term sustainability of the Group.

The CoBE articulates clear policy positions on ethical behaviour and acceptable standards of conduct for all individuals to whom it applies, including Directors, employees and relevant stakeholders. Its scope also extends to third parties such as contractors, subcontractors, consultants, agents and representatives engaged to perform work or services for or on behalf of the Group. These parties are expected to conduct themselves in a manner consistent with the applicable provisions of the CoBE when acting for the Group.

The CoBE explicitly prohibits improper solicitation, bribery and other corrupt practices, whether committed directly by employees or Directors, or indirectly through third parties acting on behalf of the PETRONAS Group. To reinforce a Zero Tolerance approach towards such activities, the Group adopts and enforces the PETRONAS Anti-Bribery and Corruption (ABC) Manual. The ABC Manual provides structured guidance on identifying, preventing and addressing bribery, corruption and unethical conduct, including response protocols and escalation processes in the course of business dealings.

p) Whistleblowing Policy

The Group has implemented the PETRONAS Whistleblowing Policy (WBP) to provide a formal channel for employees and members of the public to report suspected improper conduct. The policy, which is available on the Group's website at www.petronas.com/pgb, outlines the procedures for making disclosures and the protections accorded to whistleblowers.

Under the WBP, the Group endeavours to protect the confidentiality of a whistleblower's identity to the extent reasonably practicable. Employees who raise concerns internally are also protected from retaliation, victimisation or detrimental action, provided the disclosure is made in good faith. This protection remains applicable even where investigations subsequently determine that the whistleblower was mistaken in their understanding of facts or applicable procedures.

The policy requires whistleblowers to disclose their identity to enable appropriate protection measures to be put in place. While anonymous disclosures are not formally entertained, the Group reserves the right to investigate such disclosures where deemed necessary. Upon completion of investigations, whistleblowers are informed of the outcome in accordance with the policy's procedures.

q) PETRONAS Raid Protocol

The Group's internal policies are aligned with the PETRONAS Raid Protocol, which prescribes the appropriate conduct and procedures when dealing with authorities carrying out enforcement actions or raids at the Group's premises. The Protocol provides guidance on interactions with authorities, preservation of rights and proper handling of requests from the authorities for information or documents, taking into account the scope of powers available under the applicable laws and regulations across relevant jurisdictions.

r) Human Rights Commitment

The Group upholds PETRONAS' Human Rights Commitment, which is publicly disclosed on the Group's website at www.petronas.com/pgb, and is committed to respecting internationally recognised human rights across its operations. This commitment is embedded within the Group's adherence to the Code of Conduct and Business Ethics and compliance with applicable legal and regulatory requirements.

The Group adopts the PETRONAS Social Performance Framework, which provides structured guidance on supply chain responsibility, contractor labour and working conditions, community well-being and third-party security practices. This framework reinforces the Group's approach to managing social risks and responsibilities across its value chain.

Collaborative efforts with Group HSE support ongoing initiatives to enhance human rights awareness within the organisation. Additionally, the Group integrates social considerations into project development processes. Prior to project execution, social impact assessments are conducted as part of the Environmental Impact Assessment process, addressing matters such as community health, safety risks, environmental disturbance and cultural sensitivities. Engagements with local communities are undertaken to establish mutual understanding and manage impacts responsibly.

s) Corporate Disclosure Guide

The Group has established an Internal Corporate Disclosure Guide to govern the communication and dissemination of material information. The Guide aligns with the Main Market Listing Requirements, Bursa Malaysia's Corporate Disclosure Guide and internal governance standards, supporting transparency, accountability and timely disclosure.

The Guide sets out principles and procedures for internal escalation, validation and public communication of material information to ensure consistency and compliance. Detailed guidance is available on the Group's website at www.petronas.com/pgb.

t) Corporate Privacy Policy

The Group adopts the PETRONAS Corporate Privacy Policy (PCPP) together with the PETRONAS Master Guidelines to the PCPP. These documents establish principles governing the collection, processing, use, retention and protection of personal data, taking into account applicable data protection laws including the Malaysian Personal Data Protection Act 2010 and the EU General Data Protection Regulation.

The PCPP applies to employees and third-party service providers handling personal data on behalf of the Group and requires that personal data is processed fairly, lawfully and securely. Individuals are informed of the purposes of data collection and their rights, while appropriate technical and organisational safeguards are maintained to prevent unauthorised access, disclosure or misuse.

u) Insurance

The Group maintains appropriate insurance and Takaful coverage consistent with industry standards and practices. Coverage is arranged with the advice and support of PETRONAS Group Insurance to ensure adequacy, relevance and cost efficiency. Where appropriate, the Group leverages common insurance arrangements across the PETRONAS Group to optimise coverage and risk transfer.

Management Role

Management is accountable to the Board for implementing and maintaining effective processes for identifying, assessing, monitoring and reporting risks and internal control matters. The MD/CEO, together with the CFO, have provided assurance to the Board that the Group's risk management and internal control systems operated adequately and effectively in all material respects during the year.

This assurance is supported by letters of assurance obtained from PGB LT members, confirming the adequacy and effectiveness of risk management and internal control practices within their respective areas of responsibility.

Weaknesses in Risk Management and Internal Control that Result in Material Losses

No material losses were incurred during the year as a result of weaknesses in the Group's risk management and internal control systems. Management continues to monitor and strengthen the control environment on an ongoing basis.

Based on the review undertaken throughout the year, the Board is satisfied that the Group's system of risk management and internal control was adequate, effective and appropriate to the scale and complexity of its operations and remained effective in managing material risks throughout the reporting period.

Implementation of Risk Management and Internal Control in Subsidiaries and Material Joint Venture Companies

The Group has extended the implementation of its risk management and internal control systems to its subsidiaries and material joint venture companies.

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 for inclusion in the Annual Report of the Group for the year ended 31 December 2025, 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 Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies; 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 24 February 2026.

Financial Statements

161 Statement of Directors' Responsibilities in Relation to the Financial Statements
162 Directors' Report
167 Statement by Directors
167 Statutory Declaration
168 Consolidated Statement of Financial Position
169 Consolidated Statement of Profit or Loss
170 Consolidated Statement of Other Comprehensive Income
171 Consolidated Statement of Changes in Equity
175 Consolidated Statement of Cash Flows
177 Statement of Financial Position
178 Statement of Profit or Loss and Other Comprehensive Income
179 Statement of Changes in Equity
180 Statement of Cash Flows
181 Notes to the Financial Statements
252 Independent Auditors' Report

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 168 to 251, 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 2025, 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 2025

Directors' Report
for the year ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

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, Note 35 and Note 36 to the financial statements respectively and the Board of Directors ("Board") deems such information included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

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	1,836,472	1,485,136
Attributable to:		
Shareholders of the Company	1,727,124	1,485,136
Non-controlling interests	109,348	–

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 2024 as reported in the Directors' Report of that financial year, a fourth interim dividend of 22 sen per ordinary share amounting to RM435,321,000 declared on 21 February 2025 and paid on 20 March 2025; and

ii. In respect of the financial year ended 31 December 2025:

- a first interim dividend of 16 sen per ordinary share amounting to RM316,597,000 declared on 26 May 2025 and paid on 24 June 2025;
- a second interim dividend of 16 sen per ordinary share amounting to RM316,597,000 declared on 25 August 2025 and paid on 22 September 2025; and
- a third interim dividend of 18 sen per ordinary share amounting to RM356,172,000 declared on 26 November 2025 and paid on 23 December 2025.

DIVIDENDS (continued)

The Directors had on 24 February 2026 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 2025. 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 2026.

Further details on dividends are disclosed in Note 23 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)
Abdul Aziz bin Othman
Farina binti Farikhullah Khan
Datuk Mark Victor Rozario
Sujit Singh Parhar s/o Sukhdev Singh
Datuk Dr. Yatimah binti Sarjiman (appointed on 24 April 2025)
Lim Li Ping (appointed on 24 April 2025)
Yusa' bin Hassan (appointed on 10 June 2025)
Izwan bin Ismail (appointed on 15 September 2025)
Hasliza binti Othman (resigned on 1 June 2025)
Marina binti Md Taib (resigned on 24 April 2025)
Datuk Yeow Kian Chai (retired on 23 April 2025)

In accordance with Article 107 of the Company's Constitution, Abdul Aziz bin Othman and Datuk Mark Victor Rozario will retire by rotation from the Board at the forthcoming Annual General Meeting ("AGM"), and being eligible, offer themselves for re-election.

In accordance with Article 100 of the Company's Constitution, Datuk Dr. Yatimah binti Sarjiman, Lim Li Ping, Yusa' bin Hassan and Izwan bin Ismail who were appointed to fill casual vacancy on the Board, will retire at the forthcoming AGM, and being eligible, offer themselves 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 2025

DIRECTORS' INTERESTS

The Directors in office at the end of the financial 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:

	Number of ordinary shares in PETRONAS Chemicals Group Berhad			
Name	**Balance at 1.1.2025**	**Bought**	**Sold**	**Balance at 31.12.2025**
Abdul Aziz bin Othman	6,000	–	–	6,000
Izwan bin Ismail	–	10,000	–	10,000

None of the other Directors holding office at 31 December 2025 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 2025 was RM4,441,000 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.

Directors' Report
for the year ended 31 December 2025

OTHER STATUTORY INFORMATION

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

(i) 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) 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 2025 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 2025

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept reappointment.

The auditors' remuneration for the financial year ended 31 December 2025 is as follows:

In RM'000	Group	Company
Audit fees	654	383
Non-audit service fees	148	43

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

.....
Datuk Adif bin Zulkifli
Director

.....
Abdul Aziz bin Othman
Director

Kuala Lumpur,
Date: 24 February 2026

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 168 to 251, are drawn up in accordance with MFRS Accounting Standards as issued by the 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 2025 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
Director

Abdul Aziz bin Othman
Director

Kuala Lumpur,
Date: 24 February 2026

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 168 to 251 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 24 February 2026.

BEFORE ME:

Consolidated Statement of Financial Position

as at 31 December 2025

In RM'000	Note	2025	2024
ASSETS			
Property, plant and equipment	3	**15,604,625**	13,915,875
Investments in joint ventures	5	**1,099,340**	939,805
Investments in associate	6	**218,250**	209,783
Long-term receivable	7	**2,000**	2,000
Deferred tax assets	9	**—**	31,438
TOTAL NON-CURRENT ASSETS		**16,924,215**	15,098,901
Trade and other inventories	10	**36,170**	35,986
Trade and other receivables	11	**878,616**	961,499
Tax recoverable		**36,918**	62,568
Cash and cash equivalents	12	**1,937,796**	2,595,705
TOTAL CURRENT ASSETS		**2,889,500**	3,655,758
TOTAL ASSETS		**19,813,715**	18,754,659
EQUITY			
Share capital	13	**3,165,204**	3,165,204
Reserves	14	**11,051,016**	10,783,219
Total equity attributable to the shareholders of the Company		**14,216,220**	13,948,423
Non-controlling interests	15	**491,229**	290,330
TOTAL EQUITY		**14,707,449**	14,238,753
LIABILITIES			
Borrowings	16	**1,404,933**	1,712,736
Deferred tax liabilities	9	**1,305,665**	1,231,294
Other long-term liabilities and provisions	17	**54,528**	51,634
TOTAL NON-CURRENT LIABILITIES		**2,765,126**	2,995,664
Trade and other payables	18	**2,222,328**	1,385,576
Borrowings	16	**118,812**	134,666
TOTAL CURRENT LIABILITIES		**2,341,140**	1,520,242
TOTAL LIABILITIES		**5,106,266**	4,515,906
TOTAL EQUITY AND LIABILITIES		**19,813,715**	18,754,659

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

In RM'000	Note	2025	2024
Revenue	19	**6,373,840**	6,538,245
Cost of revenue		**(4,226,235)**	(4,260,902)
Gross profit		**2,147,605**	2,277,343
Administration expenses		**(160,452)**	(145,945)
Other expenses		**(20,182)**	(2,956)
Other income		**282,215**	174,509
Operating profit	20	**2,249,186**	2,302,951
Financing costs	21	**(82,565)**	(89,893)
Share of profit after tax of equity-accounted joint ventures and associate		**178,383**	147,288
Profit before taxation		**2,345,004**	2,360,346
Tax expense	22	**(508,532)**	(436,698)
PROFIT FOR THE YEAR		**1,836,472**	1,923,648
Profit attributable to:			
Shareholders of the Company		**1,727,124**	1,836,339
Non-controlling interests	15	**109,348**	87,309
PROFIT FOR THE YEAR		**1,836,472**	1,923,648
Basic and diluted earnings per ordinary share (sen)	24	**87.3**	92.8

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Other Comprehensive Income

for the year ended 31 December 2025

In RM'000	Note	2025	2024
Profit for the year		**1,836,472**	1,923,648
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Net movements from exchange differences		**(35,910)**	(10,465)
Cash flow hedge		**12,158**	—
Share of cash flow hedge of an equity-accounted joint venture		**(6,633)**	(7,826)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,806,087**	1,905,357
Total comprehensive income attributable to:			
Shareholders of the Company		**1,692,484**	1,818,048
Non-controlling interests		**113,603**	87,309
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,806,087**	1,905,357

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

		Attributable to shareholders of the Company			
		Non-distributable			
In RM'000	Note	Share Capital	Capital Reserve	Foreign Currency Translation Reserve	Hedging Reserve
Balance at 1 January 2025		**3,165,204**	**520,801**	**35,856**	**27,697**
Net movements from exchange differences		**—**	**—**	**(35,910)**	**—**
Cash flow hedge		**—**	**—**	**—**	**7,903**
Share of cash flow hedge of an equity-accounted joint venture		**—**	**—**	**—**	**(6,633)**
Profit for the year		**—**	**—**	**—**	**—**
Total comprehensive income for the year		**—**	**—**	**(35,910)**	**1,270**
Additional issuance of shares to non-controlling interests		**—**	**—**	**—**	**—**
Dividends - 31.12.2024 interim	23	**—**	**—**	**—**	**—**
Dividends - 31.12.2025 interim	23	**—**	**—**	**—**	**—**
Total transactions with owners of the Group		**—**	**—**	**—**	**—**
Balance at 31 December 2025		**3,165,204**	**520,801**	**(54)**	**28,967**

continue to next page

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

In RM'000	Note	Attributable to shareholders of the Company			
		Distributable			
		Retained Profits	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2025		**10,198,865**	**13,948,423**	**290,330**	**14,238,753**
Net movements from exchange differences		—	(35,910)	—	(35,910)
Cash flow hedge		—	7,903	4,255	12,158
Share of cash flow hedge of an equity-accounted joint venture		—	(6,633)	—	(6,633)
Profit for the year		1,727,124	1,727,124	109,348	1,836,472
Total comprehensive income for the year		**1,727,124**	**1,692,484**	**113,603**	**1,806,087**
Additional issuance of shares to non-controlling interests		—	—	87,296	87,296
Dividends - 31.12.2024 interim	23	(435,321)	(435,321)	—	(435,321)
Dividends - 31.12.2025 interim	23	(989,366)	(989,366)	—	(989,366)
Total transactions with owners of the Group		**(1,424,687)**	**(1,424,687)**	**87,296**	**(1,337,391)**
Balance at 31 December 2025		**10,501,302**	**14,216,220**	**491,229**	**14,707,449**

continued from previous page

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

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)
Additional issuance of shares to a non-controlling interest		—	—	—	—
Dividends - 31.12.2023 interim	23	—	—	—	—
Dividends - 31.12.2024 interim	23	—	—	—	—
Total transactions with owners of the Group		—	—	—	—
Balance at 31 December 2024		3,165,204	520,801	35,856	27,697

continue to next page

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

In RM'000	Note	Attributable to shareholders of the Company			
		Distributable			
		Retained Profits	Total	Non-controlling Interests	Total Equity
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
Additional issuance of shares to a non-controlling interest		–	–	2,135	2,135
Dividends - 31.12.2023 interim	23	(435,321)	(435,321)	–	(435,321)
Dividends - 31.12.2024 interim	23	(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

continued from previous page

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**2,345,004**	2,360,346
Adjustments for:			
Depreciation of property, plant and equipment	3	**1,223,466**	1,173,228
Share of profit after tax of equity-accounted joint ventures and associate		**(178,383)**	(147,288)
Net unrealised gain on foreign exchange	20	**(41,990)**	(12,310)
Profit from fund investment	20	**(93,509)**	(117,399)
Interest income from term loan due from a joint venture	20	**(2,684)**	(5,968)
Financing costs	21	**82,565**	89,893
Other non-cash items		**6,365**	(996)
Operating profit before changes in working capital		**3,340,834**	3,339,506
Change in trade and other receivables		**(23,733)**	(25,844)
Change in trade and other inventories		**(1,072)**	(11,949)
Change in trade and other payables		**35,622**	116,318
Cash generated from operations		**3,351,651**	3,418,031
Profit from fund investment		**96,023**	117,399
Interest income from term loan due from a joint venture		**2,684**	5,968
Taxation paid		**(377,073)**	(395,431)
Net cash generated from operating activities		**3,073,285**	3,145,967
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures and associate		**112,174**	68,512
Investment in joint ventures		**(144,336)**	(69,000)
Repayment of term loan due from a joint venture		**61,435**	50,455
Proceeds from disposal of property, plant and equipment*		**10,258**	20,206
Purchase of property, plant and equipment		**(2,204,082)**	(1,269,344)
Net cash used in investing activities		**(2,164,551)**	(1,199,171)

continue to next page

* Comprises mainly proceeds from disposal of land amounting to RM10,075,000 (2024: RM19,082,000).

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders of the Company	23	**(1,424,687)**	(1,424,687)
Dividends paid to non-controlling interests		**—**	(59,202)
Payment of lease liabilities	16	**(20,426)**	(14,016)
Repayment of Islamic financing facility	16	**(120,000)**	(1,281,000)
Financing costs paid	16	**(88,826)**	(102,264)
Proceeds from shares issued to non-controlling interests		**87,296**	2,135
Net cash used in financing activities		**(1,566,643)**	(2,879,034)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(657,909)**	(932,238)
DECREASE IN CASH AND CASH EQUIVALENTS RESTRICTED		**1,449**	4,108
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**2,575,856**	3,503,986
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**1,919,396**	2,575,856
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	12	**1,937,796**	2,595,705
Less: Cash and cash equivalents - restricted	12	**(18,400)**	(19,849)
		1,919,396	2,575,856

continued from previous page

Total cash outflows for leases during the year comprise repayment of lease liabilities and related interests totalling RM69,513,000 (2024: RM61,600,000).

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2025

In RM'000	Note	2025	2024
ASSETS			
Property, plant and equipment	3	**10,669,550**	9,652,558
Investments in subsidiaries	4	**2,019,366**	1,775,111
Investments in joint ventures	5	**283,059**	283,059
Investments in associate	6	**76,466**	76,466
TOTAL NON-CURRENT ASSETS		**13,048,441**	11,787,194
Trade and other inventories	10	**33,902**	31,569
Trade and other receivables	11	**814,573**	827,963
Tax recoverable		**37,650**	64,283
Cash and cash equivalents	12	**1,512,318**	2,451,008
TOTAL CURRENT ASSETS		**2,398,443**	3,374,823
TOTAL ASSETS		**15,446,884**	15,162,017
EQUITY			
Share capital	13	**3,165,204**	3,165,204
Reserves	14	**9,622,200**	9,561,751
TOTAL EQUITY		**12,787,404**	12,726,955
LIABILITIES			
Borrowings	16	**6,243**	6,359
Deferred tax liabilities	9	**1,279,474**	1,231,294
Other long-term liabilities and provisions	17	**28,869**	29,732
TOTAL NON-CURRENT LIABILITIES		**1,314,586**	1,267,385
Trade and other payables	18	**1,344,777**	1,167,562
Borrowings	16	**117**	115
TOTAL CURRENT LIABILITIES		**1,344,894**	1,167,677
TOTAL LIABILITIES		**2,659,480**	2,435,062
TOTAL EQUITY AND LIABILITIES		**15,446,884**	15,162,017

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

In RM'000	Note	2025	2024
Revenue	19	**4,997,040**	5,184,749
Cost of revenue		**(3,454,232)**	(3,506,129)
Gross profit		**1,542,808**	1,678,620
Administration expenses		**(154,003)**	(141,791)
Other expenses		**(29,303)**	(11,138)
Other income		**571,319**	652,671
Operating profit	20	**1,930,821**	2,178,362
Financing costs	21	**(1,055)**	(1,010)
Profit before taxation		**1,929,766**	2,177,352
Tax expense	22	**(444,630)**	(375,347)
PROFIT FOR THE YEAR REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,485,136**	1,802,005

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2025

		Attributable to shareholders of the Company		
		Non-distributable	Distributable	
In RM'000	Note	Share Capital	Retained Profits	Total
Balance at 1 January 2025		**3,165,204**	**9,561,751**	**12,726,955**
Profit for the year		**—**	**1,485,136**	**1,485,136**
Total comprehensive income for the year		**—**	**1,485,136**	**1,485,136**
Dividends - 31.12.2024 interim	23	**—**	**(435,321)**	**(435,321)**
Dividends - 31.12.2025 interim	23	**—**	**(989,366)**	**(989,366)**
Total transactions with shareholders of the Company		**—**	**(1,424,687)**	**(1,424,687)**
Balance at 31 December 2025		**3,165,204**	**9,622,200**	**12,787,404**
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	23	—	(435,321)	(435,321)
Dividends - 31.12.2024 interim	23	—	(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

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,929,766**	2,177,352
Adjustments for:			
Depreciation of property, plant and equipment	3	**822,087**	783,058
Net unrealised loss on foreign exchange	20	**12,849**	3,857
Profit from fund investment	20	**(83,458)**	(109,766)
Interest income from term loan due from a joint venture	20	**(2,684)**	(5,968)
Financing costs	21	**1,055**	1,010
Other non-cash items		**4,408**	(6,483)
Operating profit before changes in working capital		**2,684,023**	2,843,060
Change in trade and other receivables		**19,663**	(35,476)
Change in trade and other inventories		**(632)**	(10,199)
Change in trade and other payables		**35,196**	128,722
Cash generated from operations		**2,738,250**	2,926,107
Dividend income from subsidiaries, joint ventures and associate		**(324,975)**	(475,965)
Profit from fund investment		**85,888**	109,766
Interest income from term loan due from a joint venture		**2,684**	5,968
Taxation paid		**(369,817)**	(389,353)
Net cash generated from operating activities		**2,132,030**	2,176,523
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from subsidiaries, joint ventures and associate		**244,975**	475,965
Increase in investment in subsidiaries	4	**(464,255)**	(114,792)
Purchase of property, plant and equipment		**(1,717,806)**	(1,126,789)
Proceeds from disposal of property, plant and equipment*		**10,258**	20,206
Redemption of preference share in subsidiaries	4	**220,000**	201,300
Repayment of term loan due from a joint venture		**61,435**	50,455
Net cash used in investing activities		**(1,645,393)**	(493,655)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders of Company	23	**(1,424,687)**	(1,424,687)
Payment of lease liabilities	16	**(114)**	(113)
Repayment of Islamic financing facility	16	**—**	(1,171,000)
Financing costs paid	16	**(526)**	(12,985)
Net cash used in financing activities		**(1,425,327)**	(2,608,785)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(938,690)**	(925,917)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**2,451,008**	3,376,925
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	**1,512,318**	2,451,008

* Comprises mainly proceeds from disposal of land amounting to RM10,075,000 (2024: RM19,082,000).

Total cash outflows for leases during the year comprise payment of lease liabilities and related interests totalling RM640,000 (2024: RM648,000).

The notes set out on pages 181 to 251 are an integral part of these financial statements.

Notes to the Financial Statements

31 December 2025

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 the 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 2025, the Group and the Company had adopted amendments to MFRS ("pronouncement") that has been issued by the Malaysian Accounting Standards Board ("MASB"), as described fully in Note 31.

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. New and revised pronouncements that are 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 24 February 2026.

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 thousand, 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 16 : Borrowings;
(iv) Note 17 : Other long-term liabilities and provisions;
(v) Note 22 : Tax expense; and
(vi) Note 28 : 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 2025

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 consolidated statement of other 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 2025

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 are as follows:

Land improvement	65 years
Plant and pipelines	5 - 55 years
Storage units	25 years
Plant turnaround/major inspection	3 - 6 years
Office equipment, furniture and fittings	6 - 7 years
Other plant and equipment	3 -20 years
Computer software and hardware	5 years
Motor vehicles	4 years

Right-of-use assets

The right-of-use assets are 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.

The estimated useful lives of the right-of-use assets are as follows:

Leasehold land	19 - 99 years
Other plant and equipment	25 years
Storage units	20 years

Depreciation of certain right-of-use assets is 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.

The Group and the Company present right-of-use assets in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment and depreciation (continued)

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 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 assets. Financial assets are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"), as appropriate.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

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.

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 2.15.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Financial instruments (continued)

Recognition and derecognition (continued)

(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).

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.

(iii) Derivative financial instruments

The Group and the Company use forward currency contracts to manage exposures to fluctuations in 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Financial instruments (continued)

Recognition and derecognition (continued)

(iii) Derivative financial instruments (continued)

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.

(iv) Hedge accounting

For the purpose of hedge accounting, hedges are classified as cash flow hedges when the hedge relates to 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 highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

(v) 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.

2.6 Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

Loss allowances for intercompany receivables are measured at an amount equal to lifetime expected credit loss, only when the receivables exceed the credit term.

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 and deferred tax 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.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and cash managed by PETRONAS Integrated Financial Shared Service Centre ("IFSSC") 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 deposits restricted as they are considered an integral part of the Group's cash management, if any.

2.8 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.

2.9 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 items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

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.

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.

2.10 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.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Foreign currency transactions (continued)

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.

2.11 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 subsequent to the completion of a specific qualifying asset are included in the determination of the capitalisation rate.

2.12 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.

2.13 Financing costs

Financing costs comprise interest component of 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.

2.14 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.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.15 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 is 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.

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 2025

3. PROPERTY, PLANT AND EQUIPMENT

Group 2025 In RM'000	At 1.1.2025	Additions	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2025
At cost:					
Own use					
Freehold land	26,173	6	—	(24,329)	1,850
Land improvement	109,006	—	—	—	109,006
Buildings	548,644	—	(736)	611,593	1,159,501
Plant and pipelines	24,460,227	1,477	(130,232)	510,384	24,841,856
Storage units	817,416	—	—	—	817,416
Plant turnaround/major inspection	2,589,504	—	(7,531)	521,640	3,103,613
Office equipment, furniture and fittings	68,087	69	(313)	10,797	78,640
Other plant and equipment	689,547	2,088	(594)	154,051	845,092
Computer software and hardware	241,274	—	(2,429)	12,202	251,047
Motor vehicles	25,424	—	(1,279)	—	24,145
Projects-in-progress	1,759,013	2,286,932	(3,305)	(1,827,977)	2,214,663
	31,334,315	2,290,572	(146,419)	(31,639)	33,446,829
Right-of-use					
Leasehold land	918,541	67,056	(84)	19,222	1,004,735
Other plant and equipment	580,109	—	—	244,901	825,010
Storage units	1,149,571	337,839	—	—	1,487,410
	2,648,221	404,895	(84)	264,123	3,317,155
	33,982,536	2,695,467	(146,503)	*232,484	36,763,984

* Includes upward adjustment to right-of-use assets following lease modifications in accordance with MFRS 16 *Leases* amounting to RM244,901,000.

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2025 In RM'000	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2025
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	—	—	—	—	—
Land improvement	12,019	1,677	—	—	13,696
Buildings	246,421	18,915	(736)	386,241	650,841
Plant and pipelines	16,293,206	673,623	(118,193)	(386,014)	16,462,622
Storage units	242,828	34,842	—	—	277,670
Plant turnaround/major inspection	1,765,565	309,953	(7,531)	—	2,067,987
Office equipment, furniture and fittings	58,618	4,075	(313)	(88)	62,292
Other plant and equipment	306,168	37,890	(541)	281	343,798
Computer software and hardware	181,530	21,587	(2,274)	58	200,901
Motor vehicles	22,076	1,253	(1,279)	—	22,050
Projects-in-progress	—	—	—	—	—
	19,128,431	1,103,815	(130,867)	478	20,101,857
Right-of-use					
Leasehold land	203,111	18,470	(25)	(588)	220,968
Other plant and equipment	144,999	27,907	—	—	172,906
Storage units	590,120	73,508	—	—	663,628
	938,230	119,885	(25)	(588)	1,057,502
	20,066,661	1,223,700	(130,892)	(110)	21,159,359

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2024
At cost:					
Own use					
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

Notes to the Financial Statements
31 December 2025

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:					
Own use					
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 2025

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2025 In RM'000	At 1.1.2025	Additions	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2025
At cost:					
Own use					
Freehold land	26,173	6	—	(24,329)	1,850
Buildings	432,066	—	(736)	607,951	1,039,281
Plant and pipelines	20,131,790	1,477	(130,232)	337,480	20,340,515
Plant turnaround/major inspection	2,494,780	—	—	510,666	3,005,446
Office equipment, furniture and fittings	45,459	69	(313)	7,331	52,546
Other plant and equipment	528,724	2,066	(594)	144,625	674,821
Computer software and hardware	199,581	—	(2,429)	7,333	204,485
Motor vehicles	24,677	—	(1,279)	—	23,398
Projects-in-progress	1,488,537	1,795,183	(3,305)	(1,619,618)	1,660,797
	25,371,787	1,798,801	(138,888)	(28,561)	27,003,139
Leased to others as operating lease					
Buildings	5,533	—	—	(1,600)	3,933
Right-of-use					
Leasehold land	898,737	66,795	(84)	19,240	984,688
	26,276,057	1,865,596	(138,972)	*(10,921)	27,991,760

* Includes mainly government grant received amounting to RM6,810,000.

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2025 In RM'000	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2025
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	—	—	—	—	—
Buildings	210,398	13,385	(736)	386,241	609,288
Plant and pipelines	14,086,928	447,383	(118,193)	(386,242)	14,029,876
Plant turnaround/major inspection	1,704,854	291,515	—	—	1,996,369
Office equipment, furniture and fittings	38,181	3,108	(313)	—	40,976
Other plant and equipment	207,935	30,823	(541)	516	238,733
Computer software and hardware	154,612	16,862	(2,274)	58	169,258
Motor vehicles	21,331	1,253	(1,279)	—	21,305
Projects-in-progress	—	—	—	—	—
	16,424,239	804,329	(123,336)	573	17,105,805
Leased to others as operating lease					
Buildings	1,524	253	—	—	1,777
Right-of-use					
Leasehold land	197,736	17,505	(25)	(588)	214,628
	16,623,499	822,087	(123,361)	(15)	17,322,210

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2024
At cost:					
Own use					
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

Notes to the Financial Statements
31 December 2025

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:					
Own use					
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
Leased to others as operating lease					
Buildings	1,224	300	—	—	1,524
Right-of-use					
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.

3. PROPERTY, PLANT AND EQUIPMENT (continued)

In RM'000 Carrying amount	Group 2025	Group 2024	Company 2025	Company 2024
Own use				
Freehold land	**1,850**	26,173	**1,850**	26,173
Land improvement	**95,310**	96,987	**—**	—
Buildings	**508,660**	302,223	**429,993**	221,668
Plant and pipelines	**8,379,234**	8,167,021	**6,310,639**	6,044,862
Storage units	**539,746**	574,588	**—**	—
Plant turnaround/major inspection	**1,035,626**	823,939	**1,009,077**	789,926
Office equipment, furniture and fittings	**16,348**	9,469	**11,570**	7,278
Other plant and equipment	**501,294**	383,379	**436,088**	320,789
Computer software and hardware	**50,146**	59,744	**35,227**	44,969
Motor vehicles	**2,095**	3,348	**2,093**	3,346
Projects-in-progress	**2,214,663**	1,759,013	**1,660,797**	1,488,537
	13,344,972	12,205,884	**9,897,334**	8,947,548
Leased to others as operating lease				
Buildings	**—**	—	**2,156**	4,009
Right-of-use				
Leasehold land	**783,767**	715,430	**770,060**	701,001
Other plant and equipment	**652,104**	435,110	**—**	—
Storage units	**823,782**	559,451	**—**	—
	2,259,653	1,709,991	**770,060**	701,001
	15,604,625	13,915,875	**10,669,550**	9,652,558

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 governments and a related company.

Notes to the Financial Statements
31 December 2025

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 2025	Group 2024	Company 2025	Company 2024
Capitalised in property, plant and equipment	**234**	215	**—**	—
Recognised in profit or loss	**119,651**	101,793	**17,505**	11,906
Total depreciation	**119,885**	102,008	**17,505**	11,906

Extension options

Some 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 and the Company assess at lease commencement by applying significant judgment whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised.

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

During the year, a lease modification arose from one-off settlement of the annual fixed charges, representing the remaining lease payments under the Jetty Usage Agreement for the provision of jetty facilities at the terminal. In accordance with MFRS 16 *Leases*, the effect of the lease modification has been recognised 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 RM265,000 (2024: RM298,000).

The operating lease payments to be received until end of the lease tenure amounted to RM3,743,000 (2024: RM4,008,000).

3.3 Restrictions of land title

The titles of certain land are in the process of being registered in the Company's name.

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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 RM7,110,000 (2024: RM15,023,000) and RM Nil (2024: RM14,102,000) respectively. There is capitalisation of depreciation charge for the year in respect of Group's right-of-use of leasehold land amounting to RM234,000 (2024: RM215,000). The interest rate on borrowings capitalised for the Group and the Company was 1.16% (2024: 4.19%) and Nil (2024: 4.27%) per annum respectively.

3.5 Impairment

In previous year, the Group and the Company recognised impairment losses on certain individual assets relating to Gas Processing segment amounting to RM1,923,000.

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 2025	Company 2024
Investment at cost:		
- unquoted shares		
At beginning of the year	**1,775,111**	1,861,619
Additional investment during the year	**464,255**	114,792
Redemption of redeemable preference shares	**(220,000)**	(201,300)
At end of the year	**2,019,366**	1,775,111

Additional investments during the year include subscription of additional ordinary shares and redeemable preference shares in Sipitang Utilities Sdn. Bhd. ("SUSB"), PG Cold Energy 1 Sdn. Bhd. ("PGCE1") and PG Energia Sdn. Bhd.

Subsequently, the Company transferred its entire shareholding of ordinary shares and redeemable preference shares in SUSB and PGCE1 to its wholly owned subsidiary, PG Energia Sdn. Bhd. as part of the Group's internal restructuring activities. Hence, PG Energia Sdn. Bhd. became the immediate holding company of SUSB and PGCE1.

Redemption of redeemable preference shares relates to redemption by Regas Terminal (Sg. Udang) 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 2025

5. INVESTMENTS IN JOINT VENTURES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Investments at cost				
- unquoted shares	**496,395**	352,059	**283,059**	283,059
Share of post-acquisition profits and reserves	**602,945**	587,746	**—**	—
	1,099,340	939,805	**283,059**	283,059

The Group's involvements in joint arrangements are structured through separate vehicles which provide the Group with rights to the net assets of these entities. Accordingly, the Group has classified these investments as joint ventures.

In RM'000	2025	2024
Group summarised financial information of joint ventures		
As at 31 December		
Non-current assets	**2,279,760**	1,947,156
Current assets	**927,024**	758,909
Non-current liabilities	**(721,185)**	(689,649)
Current liabilities	**(552,946)**	(405,860)
Net assets	**1,932,653**	1,610,556
Included in the net assets are:		
Cash and cash equivalents	**214,426**	319,494
Non-current financial liabilities (excluding other payables and provisions)	**(706,918)**	(689,649)
Current financial liabilities (excluding trade and other payables and provisions)	**(183,610)**	(152,695)
Group's share of net assets	**1,099,340**	939,805
Profit for the year	**227,380**	170,530
Other comprehensive loss	**(81,466)**	(33,561)
Total comprehensive income for the year	**145,914**	136,969
Included in the total comprehensive income are:		
Revenue	**614,589**	645,364
Depreciation and amortisation	**(38,086)**	(40,587)
Interest income and profit from fund investment	**101,199**	82,489
Financing costs	**(40,173)**	(71,260)
Tax expense	**(40,933)**	(26,790)
Group's share of results		
Share of profit from operations	**120,742**	79,657
Share of other comprehensive loss	**(42,543)**	(18,291)
Share of total comprehensive income	**78,199**	61,366
Other information		
Dividends received	**63,000**	24,145

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 2025

6. INVESTMENTS IN ASSOCIATE

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Investments at cost				
- quoted shares	**76,466**	76,466	**76,466**	76,466
Share of post-acquisition profits and reserves	**141,784**	133,317	**—**	—
	218,250	209,783	**76,466**	76,466
Market value of quoted shares	**830,344**	815,143	**830,344**	815,143

Details of associate are stated in Note 36 of the financial statements.

In RM'000	2025	2024
Group's share of results		
Group's share of total comprehensive income for the year	**57,641**	67,631
Other information		
Dividends received	**49,174**	44,367

7. LONG-TERM RECEIVABLE

In RM'000	Group 2025	Group 2024
Deposit	**2,000**	2,000

Long-term receivable relates to a refundable security deposit payment on sublease rental.

Notes to the Financial Statements
31 December 2025

8. DERIVATIVES

In RM'000	Note	Nominal value 2025	Carrying amount 2025	Nominal value 2024	Carrying amount 2024
Group					
Derivative assets at fair value through profit or loss					
Forward foreign exchange contracts		**190,222**	**27**	130,801	3,681
Derivative liabilities at fair value through profit or loss					
Forward foreign exchange contracts		**291,415**	**(3,703)**	31,824	(757)
Included within:					
Trade and other receivables	11		**27**		3,681
Trade and other payables	18		**(3,703)**		(757)
Company					
Derivative assets at fair value through profit or loss					
Forward foreign exchange contracts		**—**	**—**	130,801	3,681
Derivative liabilities at fair value through profit or loss					
Forward foreign exchange contracts		**105,522**	**(3,602)**	—	—
Included within:					
Trade and other receivables	11		**—**		3,681
Trade and other payables	18		**(3,602)**		—

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 foreign currency exchange rates, consistent with their risk management policies and objectives.

9. DEFERRED TAX

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

In RM'000	Assets 2025	Assets 2024	Liabilities 2025	Liabilities 2024	Net 2025	Net 2024
Group						
Property, plant and equipment	**—**	—	**(1,570,064)**	(1,485,142)	**(1,570,064)**	(1,485,142)
Contract liabilities	**4,346**	4,953	**—**	—	**4,346**	4,953
Others	**2,414**	21	**—**	—	**2,414**	21
Unabsorbed capital allowances	**3,205**	3,499	**—**	—	**3,205**	3,499
Unused investment tax allowances	**254,434**	276,813	**—**	—	**254,434**	276,813
Tax assets/(liabilities)	**264,399**	285,286	**(1,570,064)**	(1,485,142)	**(1,305,665)**	(1,199,856)
Set off tax	**(264,399)**	(253,848)	**264,399**	253,848	**—**	—
Net tax assets/(liabilities)	**—**	31,438	**(1,305,665)**	(1,231,294)	**(1,305,665)**	(1,199,856)
Company						
Property, plant and equipment	**—**	—	**(1,286,234)**	(1,236,268)	**(1,286,234)**	(1,236,268)
Contract liabilities	**4,346**	4,953	**—**	—	**4,346**	4,953
Others	**2,414**	21	**—**	—	**2,414**	21
Tax assets/(liabilities)	**6,760**	4,974	**(1,286,234)**	(1,236,268)	**(1,279,474)**	(1,231,294)
Set off tax	**(6,760)**	(4,974)	**6,760**	4,974	**—**	—
Net tax liabilities	**—**	—	**(1,279,474)**	(1,231,294)	**(1,279,474)**	(1,231,294)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
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 will be able to utilise the benefits in the foreseeable future.

Notes to the Financial Statements
31 December 2025

9. DEFERRED TAX (continued)

The components and movements of deferred tax liabilities and assets during the year prior to offsetting are as follows:

Group 2025 In RM'000	At 1.1.2025	(Charged)/ Credited to profit or loss	At 31.12.2025
Deferred tax liabilities			
Property, plant and equipment	**(1,485,142)**	**(84,922)**	**(1,570,064)**
Deferred tax assets			
Contract liabilities	**4,953**	**(607)**	**4,346**
Others	**21**	**2,393**	**2,414**
Unabsorbed capital allowances	**3,499**	**(294)**	**3,205**
Unused investment tax allowances	**276,813**	**(22,379)**	**254,434**
	285,286	**(20,887)**	**264,399**
Net deferred tax	**(1,199,856)**	**(105,809)**	**(1,305,665)**

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			
Contract liabilities	5,509	(556)	4,953
Others	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)

9. DEFERRED TAX (continued)

Company 2025 In RM'000	At 1.1.2025	(Charged)/ Credited to profit or loss	At 31.12.2025
Deferred tax liabilities			
Property, plant and equipment	(1,236,268)	(49,966)	(1,286,234)
Deferred tax assets			
Contract liabilities	4,953	(607)	4,346
Others	21	2,393	2,414
	4,974	1,786	6,760
Net deferred tax	(1,231,294)	(48,180)	(1,279,474)

Company 2024 In RM'000	At 1.1.2024	Charged 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			
Contract liabilities	5,509	(556)	4,953
Others	67	(46)	21
	5,576	(602)	4,974
Net deferred tax	(1,202,035)	(29,259)	(1,231,294)

10. TRADE AND OTHER INVENTORIES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Liquefied industrial gases and water	3,563	2,425	3,563	2,425
Maintenance materials and spares	32,607	33,561	30,339	29,144
	36,170	35,986	33,902	31,569
Recognised in profit or loss as:				
Cost of revenue	107,419	92,226	105,520	91,227
Inventories written-off	2,611	154	—	154
Net (reversal)/write down of inventories	(1,723)	12,102	(1,701)	12,080

11. TRADE AND OTHER RECEIVABLES

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Trade receivables		53,758	35,767	53,758	35,767
Other receivables		22,334	22,892	22,185	22,684
Deposits		4,535	1,730	1,962	1,730
Prepayments		34,509	33,424	4,834	10,253
Amount due from:					
- holding company	11.1	189,243	176,419	189,242	176,412
- subsidiaries	11.2	—	—	93,359	9,332
- joint ventures and associate	11.3	9,879	3,566	9,879	3,566
- related companies	11.4	532,195	571,945	407,218	452,463
- related parties	11.5	32,384	44,706	32,384	44,706
Term loan due from a joint venture	11.6	—	67,456	—	67,456
Derivative assets	8	27	3,681	—	3,681
		878,864	961,586	814,821	828,050
Less: Expected credit losses		(248)	(87)	(248)	(87)
		878,616	961,499	814,573	827,963

11.1 Amount due from holding company arose in the normal course of business and relates to:

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade	163,856	163,826	163,856	163,826
Non-trade	25,387	12,593	25,386	12,586
	189,243	176,419	189,242	176,412

11.2 Amount due from subsidiaries arose in the normal course of business and relates to:

In RM'000	Company 2025	Company 2024
Trade	156	457
Non-trade	93,203	8,875
	93,359	9,332

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 2025	Group and Company 2024
Trade	536	1,075
Non-trade	9,343	2,491
	9,879	3,566

Notes to the Financial Statements
31 December 2025

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 2025	Group 2024	Company 2025	Company 2024
Trade	**529,945**	565,457	**406,538**	450,765
Non-trade	**2,250**	6,488	**680**	1,698
	532,195	571,945	**407,218**	452,463

11.5 Amount due from related parties arose in the normal course of business and relates to:

In RM'000	Group and Company 2025	Group and Company 2024
Trade	**32,326**	44,604
Non-trade	**58**	102
	32,384	44,706

11.6 Term loan due from a joint venture was unsecured, bear interest at a rate of 5.5% per annum and was repayable in various tranches at various due dates from 2021 to 2025. The amount has been fully repaid during the year.

12. CASH AND CASH EQUIVALENTS

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Cash with PETRONAS IFSSC	**763,722**	1,459,755	**668,773**	1,430,607
Cash and bank balances	**312,297**	96,615	**136**	881
Deposits	**861,777**	1,039,335	**843,409**	1,019,520
	1,937,796	2,595,705	**1,512,318**	2,451,008

The Group's and the Company's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS 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 RM18,370,000 (2024: RM19,819,000) in a finance service reserve account being designated as security and a fixed balance amounting to RM30,000 (2024: 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 and in the previous financial year are profit-generating balances.

Notes to the Financial Statements
31 December 2025

13. SHARE CAPITAL

Company	2025 No of shares '000	2025 Amount RM'000	2024 No of shares '000	2024 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 a subsidiary and a joint venture whose functional currencies are different from that of the Group's functional currency.

Hedging Reserve

Hedging reserves include the cash flow hedge reserve that records the effective portion of the gain or loss on hedging instrument in a cash flow hedge. Amounts are subsequently transferred out from equity to either profit or loss or the carrying value of assets, as appropriate.

15. NON-CONTROLLING INTERESTS

This consists of the non-controlling interests' proportion of share capital and reserves of partly-owned subsidiaries.

16. BORROWINGS

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Non-current					
Lease liabilities	16.1	**339,933**	547,736	**6,243**	6,359
Secured					
Islamic financing facility	16.2	**1,065,000**	1,165,000	**—**	—
Total non-current borrowings		**1,404,933**	1,712,736	**6,243**	6,359
Current					
Lease liabilities	16.1	**18,812**	14,666	**117**	115
Secured					
Islamic financing facility	16.2	**100,000**	120,000	**—**	—
Total current borrowings		**118,812**	134,666	**117**	115
Total borrowings		**1,523,745**	1,847,402	**6,360**	6,474

Terms and debt repayment schedule:

In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Group					
Lease liabilities	358,745	18,812	10,541	35,703	293,689
Secured					
Islamic financing facility	1,165,000	100,000	95,000	280,000	690,000
Total borrowings	1,523,745	118,812	105,541	315,703	983,689
Company					
Lease liabilities	6,360	117	135	476	5,632
Total borrowings	6,360	117	135	476	5,632

Notes to the Financial Statements
31 December 2025

16. BORROWINGS (continued)

16.1 The Group's lease liabilities represent committed future payments for rights-of-use assets in relation to usage of jetty facilities, lease of land, rental of seabed, charter hire of floating storage units from related companies and state governments.

The lease liabilities bear interest at rates ranging from 4.27% to 8.40% per annum (2024: 4.27% to 8.40% per annum).

During the year, the Group's subsidiary entered into an agreement with a related company for a one-off settlement of the annual fixed charges, representing the remaining lease payments under the Jetty Usage Agreement for the provision of jetty facilities at the terminal. In accordance with MFRS 16 *Leases*, the lease modification has been accounted for against the carrying amount of the respective right-of-use assets. As at 31 December 2025, the amount has been reclassified to amount due to a related party and is expected to be paid in financial year 2026.

16.2 The secured Islamic financing facility obtained by a subsidiary of the Group comprise:

In RM'000	2025	2024
RM-denominated Islamic Murabahah Medium Term Notes	**1,165,000**	1,285,000

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 (2024: 2.03% to 3.74% per annum) and the remaining amount is fully repayable at their various tranches due dates from 2026 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:

i) Issuer shall maintain a maximum debt to equity ratio of 80:20; and

ii) Issuer shall maintain a Finance Service Cover Ratio of not less than 1.25 times.

Notes to the Financial Statements
31 December 2025

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 2025	**1,285,000**	**562,402**	**1,847,402**
Changes from financing cash flows			
- payment of lease liabilities	**—**	**(20,426)**	**(20,426)**
- repayment of Islamic financing facility	**(120,000)**	**—**	**(120,000)**
- financing costs paid	**(39,739)**	**(49,087)**	**(88,826)**
Total changes from financing cash flows	**(159,739)**	**(69,513)**	**(229,252)**
Effect of changes in foreign exchange rates	**—**	**(61,970)**	**(61,970)**
Other liability-related changes			
- acquisition of new lease	**—**	**338,130**	**338,130**
- modification of lease liabilities*	**—**	**(459,391)**	**(459,391)**
- accrued interest expense	**690**	**—**	**690**
- financing costs capitalised	**3,150**	**3,960**	**7,110**
- financing costs	**35,899**	**45,127**	**81,026**
Total other liability-related changes	**39,739**	**(72,174)**	**(32,435)**
Balance at 31 December 2025	**1,165,000**	**358,745**	**1,523,745**

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)
- repayment of loan from corporate shareholder of a subsidiary	—	—	—
- financing costs paid	(54,680)	(47,584)	(102,264)
Total changes from financing cash flows	(1,335,680)	(61,600)	(1,397,280)
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
Total other liability-related changes	56,332	53,002	109,334
Balance at 31 December 2024	1,285,000	562,402	1,847,402

* Consists of downward revision on lease liabilities arising from a one-off settlement arrangement relating to the lease outstanding balances of RM546,811,000, offset by an upward revision following lease modification amounting to RM87,420,000.

Notes to the Financial Statements
31 December 2025

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 2025	**—**	**6,474**	**6,474**
Changes from financing cash flows			
- payment of lease liabilities	**—**	**(114)**	**(114)**
- financing costs paid	**—**	**(526)**	**(526)**
Total changes from financing cash flows	**—**	**(640)**	**(640)**
Other liability-related changes			
- financing costs	**—**	**526**	**526**
Total other liability-related changes	**—**	**526**	**526**
Balance at 31 December 2025	**—**	**6,360**	**6,360**

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)
- financing costs paid	(12,450)	(535)	(12,985)
Total changes from financing cash flows	(1,183,450)	(648)	(1,184,098)
Other liability-related changes			
- financing costs capitalised	14,102	—	14,102
- financing costs	—	535	535
Total other liability-related changes	14,102	535	14,637
Balance at 31 December 2024	—	6,474	6,474

17. OTHER LONG-TERM LIABILITIES AND PROVISIONS

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Contract liabilities	17.1	**15,790**	18,046	**15,790**	18,046
Provision for decommissioning of property, plant and equipment	17.2	**38,738**	33,588	**13,079**	11,686
Other long-term liabilities and provisions		**54,528**	51,634	**28,869**	29,732

17.1 The movements of contract liabilities during the financial year are as follows:

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Balance at 1 January 2025		**20,638**	22,956	**20,638**	22,956
Additions		**1,206**	1,345	**1,277**	1,345
Less: recognised in the profit or loss		**(3,798)**	(3,663)	**(3,806)**	(3,663)
Balance at 31 December 2025		**18,046**	20,638	**18,109**	20,638
Analysis of contract liabilities:					
Non-current		**15,790**	18,046	**15,790**	18,046
Current	18	**2,256**	2,592	**2,319**	2,592
		18,046	20,638	**18,109**	20,638

Contract liabilities mainly relate to payments received in advance from a subsidiary, a related company and a related party for the utilisation of the Company's properties and equipments over a specified period. These contract liabilities are subsequently recognised in profit or loss on a time-apportionment basis over the relevant period.

17.2 The movements of provision for decommissioning during the financial year are as follows:

In RM'000	Group	Company
Balance at 1 January 2025	**33,588**	**11,686**
Net changes in provision	**3,611**	**864**
Unwinding of discount	**1,539**	**529**
Balance at 31 December 2025	**38,738**	**13,079**

As at 31 December 2025, the provision for decommissioning is expected to be utilised as follows:

In RM'000	Group	Company
11 to 20 years	17,284	—
More than 20 years	21,454	13,079
	38,738	13,079

Notes to the Financial Statements
31 December 2025

17. OTHER LONG-TERM LIABILITIES AND PROVISIONS (continued)

The provision comprises 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 of leases 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 4.0% to 4.1% (2024: 4.2% to 4.3%).

18. TRADE AND OTHER PAYABLES

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Other payables and accruals	18.1	**1,012,297**	878,895	**915,117**	747,071
Amount due to:					
- holding company	18.2	**158,907**	148,831	**132,448**	124,251
- subsidiaries	18.2	**—**	—	**45**	12
- joint venture	18.2	**66**	10	**66**	10
- related companies	18.3	**342,189**	354,491	**291,180**	293,626
- related party	18.4	**702,910**	—	**—**	—
Derivative liabilities	8	**3,703**	757	**3,602**	—
Contract liabilities	17.1	**2,256**	2,592	**2,319**	2,592
		2,222,328	1,385,576	**1,344,777**	1,167,562

18.1 Included in other payables and accruals are amount owing to suppliers and contractors for the purchase of property, plant and equipment for the Group of RM679,861,000 (2024:RM562,964,000) and for the Company of RM610,850,000 (2024: RM463,297,000).

18.2 Amount due to holding company, subsidiaries and joint venture arose in the normal course of business and are non-trade in nature.

18.3 Amount due to related companies arose in the normal course of business and relates to:

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade	**190,379**	185,966	**179,838**	182,181
Non-trade	**151,810**	168,525	**111,342**	111,445
	342,189	354,491	**291,180**	293,626

Included in amount due to related companies are amounts owing to suppliers and contractors for the purchase of property, plant and equipment for the Group of RM80,461,000 (2024: RM96,058,000) and for the Company of RM48,451,000 (2024: RM52,496,000).

18.4 The amount due to a related party relates to the agreed one-off full settlement of lease liabilities under the Jetty Usage Agreement, as disclosed in Note 16.2.

19. 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 2025	Group 2024	Company 2025	Company 2024
Geographical locations				
Peninsular Malaysia	**6,373,840**	6,538,245	**4,997,040**	5,184,749
Total revenue from contracts with customers	**6,373,840**	6,538,245	**4,997,040**	5,184,749
Products and services				
Gas processing services	**1,866,642**	1,872,525	**1,866,642**	1,872,525
Gas transportation services	**1,124,027**	1,189,178	**1,124,027**	1,189,178
Regasification services	**1,324,695**	1,330,351	**—**	—
Utilities				
- Electricity	**721,237**	788,657	**721,237**	788,657
- Steam	**845,302**	838,261	**845,302**	838,261
- Industrial gases	**358,185**	406,437	**358,185**	406,437
- Others*	**73,612**	77,564	**73,612**	77,564
LNG ancillary services	**53,841**	24,889	**—**	—
Operations and maintenance services	**6,299**	10,383	**8,035**	12,127
Total revenue from contracts with customers	**6,373,840**	6,538,245	**4,997,040**	5,184,749

* Others relate to sale of water, other utilities products and services.

The Group's disaggregated revenue for each reportable segments are as follows:

Group 2025 In RM'000	Gas Processing	Gas Transportation	Regasification	Utilities	Total
Gas processing services	**1,866,642**	**—**	**—**	**—**	**1,866,642**
Gas transportation services	**—**	**1,124,027**	**—**	**—**	**1,124,027**
Regasification services	**—**	**—**	**1,324,695**	**—**	**1,324,695**
Utilities	**—**	**—**	**—**	**1,998,336**	**1,998,336**
LNG ancillary services	**—**	**—**	**53,841**	**—**	**53,841**
Operations and maintenance services	**—**	**6,299**	**—**	**—**	**6,299**
	1,866,642	**1,130,326**	**1,378,536**	**1,998,336**	**6,373,840**

Notes to the Financial Statements
31 December 2025

19. REVENUE (continued)

Revenue from contracts with customers (continued)

The Group's disaggregated revenue for each reportable segments are as follows (continued):

Group 2024 In RM'000	Gas Processing	Gas Transportation	Regasification	Utilities	Total
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

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 are 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. This contributes less than 10% of the 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 are payable within 30 days.	No variable considerations.
Regasification services		
Regasification of liquefied natural gas into Peninsular Gas Utilisation pipeline network and Pengerang Integrated Complex	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis at month-end, and are 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 are payable within 30 days.	No variable considerations.

19. 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		
Gassing up cooling down services	Upon services being rendered, invoices are issued at pre-determined tariff per service basis and are 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 are 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 are payable within 30 days.	No variable considerations.
Storage services	Upon services being rendered, invoices are issued at pre-determined rate on a monthly basis at month-end, and are 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 are 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
Group and Company				
Gas processing services				
- Reservation charges	1,704,000	3,408,000	–	5,112,000

The Group has a 20-year agreement from 2014 to 2033 with the holding company to provide gas processing services through the Gas Processing Agreement ("GPA"). Pursuant to the 3rd term of the GPA effective 1 January 2024 till 31 December 2028, there is remaining unsatisfied performance obligation to the customer for the next 3 years. There does not exist any unsatisfied performance obligation beyond 3 years as tariffs and quantity nomination have yet to be agreed.

Notes to the Financial Statements
31 December 2025

19. REVENUE (continued)

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") and Pengerang LNG (Two) Sdn. Bhd. ("PLNG2"), being the subsidiaries of the Group, have 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, a subsidiary of the Group, 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, a subsidiary of the Group, 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.

Storage Services
PLNG2, a subsidiary of the Group, has a long-term agreement with a related company to provide storage services at a fixed capacity.

Notes to the Financial Statements
31 December 2025

20. OPERATING PROFIT

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Included in operating profit are the following charges:				
Auditor's remuneration:				
- audit fees	**654**	608	**383**	365
- non-audit service fees	**148**	88	**43**	13
Depreciation of property, plant and equipment	**1,223,466**	1,173,228	**822,087**	783,058
Net impairment losses on property, plant and equipment	**—**	1,923	**—**	1,923
Net impairment on receivables	**161**	—	**161**	—
Property, plant and equipment expensed-off	**1,729**	2,177	**1,729**	2,156
Net realised loss on foreign exchange	**5,822**	—	**894**	—
Rental of:				
- land and buildings	**8,972**	8,827	**8,093**	7,801
- equipment and motor vehicles	**36,098**	23,763	**15,664**	14,888
Staff costs:				
- wages, salaries and others	**385,064**	490,481	**358,699**	459,240
- contributions to Employees Provident Fund	**46,011**	62,204	**43,046**	58,638
Net unrealised loss on foreign exchange	**—**	—	**12,849**	3,857
Write-down of inventories	**—**	12,102	**—**	12,080
Write-offs of:				
- property, plant and equipment	**14,360**	1,475	**14,360**	442
- inventories	**2,611**	154	**—**	154
and crediting:				
Dividend income (quoted)				
- associate	**—**	—	**49,174**	44,367
Dividend income (unquoted)				
- subsidiaries	**—**	—	**212,801**	407,453
- joint ventures	**—**	—	**63,000**	24,145
Net gain on disposal of property, plant and equipment*	**9,007**	18,636	**9,007**	18,636
Profit from fund investment	**93,509**	117,399	**83,458**	109,766
Interest income from term loan due from a joint venture	**2,684**	5,968	**2,684**	5,968
Net impairment reversals on receivables	**—**	191	**—**	191
Rental income on land and buildings	**4,162**	4,325	**4,567**	5,277
Net reversal of inventories write-down	**1,723**	—	**1,701**	—
Net realised gain on foreign exchange	**—**	114	**—**	6,328
Net unrealised gain on foreign exchange	**41,990**	12,310	**—**	—

* Comprises gain on disposal of land amounting to RM10,016,000 (2024: RM18,973,000) in the Group and the Company.

Notes to the Financial Statements
31 December 2025

21. FINANCING COSTS

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Recognised in profit or loss:				
- Lease liabilities	**45,127**	47,094	**526**	535
- Islamic financing facility	**35,899**	41,420	**—**	—
- Unwinding of discount for provisions	**1,539**	1,379	**529**	475
	82,565	89,893	**1,055**	1,010
Capitalised into qualifying assets:				
- Lease liabilities	**3,960**	490	**—**	—
- Islamic financing facilities	**3,150**	14,533	**—**	14,102
	7,110	15,023	**—**	14,102
Total financing costs	**89,675**	104,916	**1,055**	15,112

22. TAX EXPENSE

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Current tax expenses				
Current year	**354,329**	334,404	**346,902**	327,772
Under provision in prior years	**48,394**	18,422	**49,548**	18,316
Total current tax expenses	**402,723**	352,826	**396,450**	346,088
Deferred tax expenses				
Origination and reversal of temporary differences	**110,123**	78,235	**55,362**	23,916
(Over)/Under provision in prior years	**(4,314)**	5,637	**(7,182)**	5,343
Total deferred tax expenses	**105,809**	83,872	**48,180**	29,259
Total tax expenses	**508,532**	436,698	**444,630**	375,347

Notes to the Financial Statements
31 December 2025

22. 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	%	2025	%	2024
Profit before taxation		**2,345,004**		2,360,346
Taxation at Malaysian statutory tax rate	**24.0**	**562,801**	24.0	566,483
Share of results of joint ventures and associate	**(1.8)**	**(42,812)**	(1.5)	(35,349)
Non-deductible expenses	**1.0**	**23,956**	0.7	16,261
Tax exempt income	**(0.1)**	**(1,698)**	(0.2)	(4,554)
Tax incentive	**—**	**—**	(2.5)	(60,220)
Income not subjected to tax due to tax incentives granted	**(3.3)**	**(77,795)**	(3.0)	(69,982)
	19.8	**464,452**	17.5	412,639
Under provision in prior years		**44,080**		24,059
Tax expense		**508,532**		436,698

Company In RM'000	%	2025	%	2024
Profit before taxation		**1,929,766**		2,177,352
Taxation at Malaysian statutory tax rate	**24.0**	**463,144**	24.0	522,564
Non-deductible expenses	**1.0**	**18,812**	0.4	8,129
Tax exempt income	**(4.1)**	**(79,692)**	(5.5)	(118,785)
Tax incentive	**—**	**—**	(2.8)	(60,220)
	20.9	**402,264**	16.1	351,688
Under provision in prior years		**42,366**		23,659
Tax expense		**444,630**		375,347

The Group is subject to Pillar Two legislation which come into effect on 1 January 2025.

Following the Amendments to MFRS 112 *Income Taxes International Tax Reform - Pillar Two Model Rules*, mandatory temporary exception has been applied 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 assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in PETRONAS Group as at reporting period by applying the requirements issued by Organisation for Economic Co-operation and Development ("OECD"). Based on the assessment carried out for the period, the Pillar Two effective tax rate ("ETR") in which PETRONAS Group operates are above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

Notes to the Financial Statements
31 December 2025

23. DIVIDENDS

In RM'000	Company 2025	Company 2024
Ordinary		
Interim paid:		
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
2024 - Fourth interim dividend of 22 sen per ordinary share	**435,321**	—
2025 - First interim dividend of 16 sen per ordinary share	**316,597**	—
2025 - Second interim dividend of 16 sen per ordinary share	**316,597**	—
2025 - Third interim dividend of 18 sen per ordinary share	**356,172**	—
	1,424,687	1,424,687

The Directors had on 24 February 2026 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 2025. 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 2026.

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 2025	Company 2024
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

Notes to the Financial Statements
31 December 2025

24. 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 RM1,727,124,000 (2024: RM1,836,339,000), over the number of ordinary shares outstanding during the year of 1,978,732,000 (2024: 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.

	Company	
In Sen	**2025**	**2024**
Basic and diluted earnings per ordinary share	**87.3**	92.8

25. CAPITAL COMMITMENTS

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

	Group		Company	
In RM'000	**2025**	**2024**	**2025**	**2024**
Property, plant and equipment				
Approved and contracted for				
Less than one year	**638,330**	666,093	**290,605**	287,504
Between one and five years	**320,059**	208,153	**260,302**	104,112
	958,389	874,246	**550,907**	391,616
Approved but not contracted for				
Less than one year	**2,087,566**	1,175,140	**1,892,260**	1,078,257
Between one and five years	**4,130,702**	3,551,945	**3,836,492**	3,214,977
	6,218,268	4,727,085	**5,728,752**	4,293,234
	7,176,657	5,601,331	**6,279,659**	4,684,850
Share of capital expenditure of joint ventures				
Approved and contracted for				
Less than one year	**341,028**	90,639	**—**	—
Between one and five years	**220,300**	345,000	**—**	—
	561,328	435,639	**—**	—
Approved but not contracted for				
Less than one year	**100,006**	126,938	**—**	—
Between one and five years	**29,053**	6,153	**—**	—
	129,059	133,091	**—**	—
	690,387	568,730	**—**	—
Total commitments	**7,867,044**	6,170,061	**6,279,659**	4,684,850

26. 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

	Group and Company	
In RM'000	**2025**	**2024**
Directors		
- Fees	**1,431**	811
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**27**	39
	1,458	850

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:

	Group		Company	
In RM'000	**2025**	**2024**	**2025**	**2024**
Government of Malaysia's related entities:				
Projek Lebuhraya Usahasama Berhad				
- Repair and maintenance services	**(5,016)**	—	**(5,016)**	—
Tenaga Nasional Berhad				
- Sales of industrial utilities	**71,286**	51,214	**71,286**	51,214
- Purchase of electricity	**(90,819)**	(63,000)	**(65,971)**	(32,986)
TNB Repair and Maintenance Sdn. Bhd.				
- Provision of repair and maintenance services	**(41,515)**	(42,515)	**(41,515)**	(42,515)

Notes to the Financial Statements
31 December 2025

26. RELATED PARTY DISCLOSURES (continued)

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Holding company:				
- Gas processing fee income	**1,860,100**	1,865,983	**1,860,100**	1,865,983
- Profit from fund investment	**48,159**	87,633	**45,251**	85,342
- Insurance claim	**41,783**	958	**41,783**	958
- Staff secondment services	**(440,824)**	(447,967)	**(413,696)**	(420,283)
- Information, communication and technology charges	**(62,993)**	(74,354)	**(57,652)**	(66,746)
- Insurance expense	**(33,457)**	(32,153)	**(28,535)**	(27,433)
- Staff medical expense	**(27,369)**	(21,558)	**(25,769)**	(20,013)
- Financial services	**(17,167)**	(16,171)	**(12,801)**	(11,221)
- Corporate security charges	**(10,698)**	(11,029)	**(8,767)**	(9,108)
- Supply chain and management services	**(17,028)**	(9,796)	**(15,830)**	(9,385)
- Rental of office premises	**(7,966)**	(7,318)	**(7,966)**	(7,318)
- Reimbursement of key management costs	**(2,188)**	(2,089)	**(2,188)**	(2,089)
- Fees for representation on the Board of Directors	**(795)**	(643)	**(795)**	(643)
Related companies:				
CEFS Response				
- Contribution for emergency response services	**(12,996)**	(12,611)	**(12,996)**	(12,543)
Gas Asia Terminal (L) Pte. Ltd.				
- Time charter services	**(127,365)**	(123,058)	**—**	—
PCG PCC Oxyalkylates Sdn Bhd				
- Sales of industrial utilities	**15,080**	15,379	**15,080**	15,379
Pengerang Power Sdn. Bhd.				
- Purchase of electricity	**(36,613)**	(37,544)	**—**	—
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	**233,853**	264,667	**233,853**	264,667
PETRONAS Chemicals Aromatics Sdn. Bhd.				
- Sales of industrial utilities	**64,512**	84,671	**64,512**	84,671
PETRONAS Chemicals Derivatives Sdn. Bhd.				
- Sales of industrial utilities	**749,258**	788,058	**749,258**	788,058
PETRONAS Chemicals Ethylene Sdn. Bhd.				
- Sales of industrial utilities	**16,545**	17,607	**16,545**	17,607
PETRONAS Chemicals LDPE Sdn. Bhd.				
- Sales of industrial utilities	**113,795**	136,645	**113,795**	136,645
PETRONAS Chemicals Marketing Labuan Ltd.				
- Purchase of hydrogen	**(7,419)**	(5,138)	**(7,419)**	(5,138)
PETRONAS Chemicals MTBE Sdn. Bhd.				
- Sales of industrial utilities	**254,314**	238,286	**254,314**	238,286
PETRONAS Digital Sdn. Bhd.				
- Information, communication and technology	**(31,380)**	(18,255)	**(28,051)**	(16,754)

Notes to the Financial Statements
31 December 2025

26. RELATED PARTY DISCLOSURES (continued)

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Related companies (continued):				
PETRONAS Energy and Gas Trading Sdn. Bhd.				
- Regasification fee income	**1,324,695**	1,330,352	**—**	—
- Gas transportation fee income	**1,110,497**	1,175,648	**1,110,497**	1,175,648
- Reloading income	**8,115**	10,913	**—**	—
- LNG truck loading income	**11,631**	9,893	**—**	—
- Purchase of fuel gas	**(1,391,859)**	(1,468,671)	**(1,391,859)**	(1,468,671)
- Purchase of gas for internal gas consumption	**(168,971)**	(181,007)	**(159,012)**	(178,285)
- Purchase of heelstock for FSU	**(5,507)**	—	**—**	—
PETRONAS Global Technical Services Sdn. Bhd.				
- Technical manpower services	**(3,868)**	(16,622)	**—**	—
PETRONAS LNG Ltd.				
- Storage fee income	**32,765**	—	**—**	—
PETRONAS Lubricants Marketing Sdn. Bhd.				
- Purchase of petroleum products	**(5,703)**	(4,853)	**(5,561)**	(4,573)
PETRONAS Refinery and Petrochemical Sdn. Bhd.				
- Information, communication and technology services	**(493)**	(5,515)	**—**	—
PETRONAS Technical Services Sdn. Bhd.				
- Technical consultancy fees	**(175,479)**	(133,656)	**(169,549)**	(126,474)
PETRONAS Technical Training Sdn. Bhd.				
- Training and development related costs	**(5,095)**	(12,107)	**(4,836)**	(11,726)
Southern Gas Terminal (L) Private Limited				
- Project commisioning fee	**(28,868)**	(17,823)	**—**	—
- Charter operating and maintenance services	**(15,807)**	—	**—**	—
Sungai Udang Port Sdn. Bhd.				
- Marine services	**(6,864)**	(6,767)	**—**	—
Subsidiaries:				
Regas Terminal (Sg. Udang) Sdn. Bhd.				
- Management fee income	**—**	—	**3,918**	3,979
- Pipeline maintenance fee income	**—**	—	**1,804**	1,771
- Technical and engineering services fee income	**—**	—	**1,361**	2,257
- Annual access right fee income	**—**	—	**417**	417
- Rental office income	**—**	—	**(42)**	256
- Rental warehouse income	**—**	—	**47**	80
Pengerang LNG (Two) Sdn. Bhd.				
- Management fee income	**—**	—	**4,011**	4,106
- Technical and engineering services fee income	**—**	—	**621**	2,473
- Rental office income	**—**	—	**(16)**	199
- Pipeline maintenance fee income	**—**	—	**65**	77
PG Cold Energy 1 Sdn. Bhd. [Formerly known as Regas Terminal (Pengerang) Sdn. Bhd.]				
- Management fee income	**—**	—	**1,718**	1,997
Sipitang Utilities Sdn. Bhd.				
- Management fee income	**—**	—	**377**	429
- Manpower charges	**—**	—	**877**	631
PG Energia Sdn. Bhd.				
- Management fee income	**—**	—	**269**	—
PG LinkaranFibre Sdn. Bhd.				
- Management fee income	**—**	—	**2,488**	—

26. RELATED PARTY DISCLOSURES (continued)

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Joint ventures:				
Industrial Gases Solutions Sdn. Bhd.				
- Sales of industrial utilities	**8,594**	12,638	**8,594**	12,638
- Purchase of nitrogen	**(8,136)**	(10,611)	**(8,116)**	(9,955)
Kimanis Power Sdn. Bhd.				
- Secondment fee income	**1,538**	1,389	**1,538**	1,389
Pengerang Gas Solutions Sdn. Bhd.				
- Interest income	**2,684**	5,968	**2,684**	5,968
- Secondment fee income	**1,070**	1,070	**1,070**	1,070
- Management fee income	**538**	538	**538**	538
Joint ventures and associates of the holding company and related companies:				
BASF PETRONAS Chemicals Sdn. Bhd.				
- Sales of industrial utilities	**166,198**	175,517	**166,198**	175,517
- Settlement payment for industrial utilities	**52,000**	—	**52,000**	—
Ineos PCG Acetyls Sdn. Bhd.				
- Sales of industrial utilities	**38,662**	47,363	**38,662**	47,363
Kertih Terminals Sdn. Bhd.				
- Sales of industrial utilities	**7,130**	8,249	**7,130**	8,249
Pengerang Terminals (Two) Sdn. Bhd.				
- Jetty usage charges*	**(777,120)**	(88,301)	**—**	—
Trans Thai-Malaysia (Malaysia) Sdn. Bhd.				
- Right of way and maintenance fees income	**4,681**	6,503	**4,681**	6,503
Kimanis Power (Dua) Sdn. Bhd.				
- Project commissioning fee	**4,642**	—	**4,642**	—

* Includes a one-off settlement arrangement for lease outstanding balances related to jetty usage charges.

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 17 and Note 18.

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.

Notes to the Financial Statements
31 December 2025

27. 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, gassing up, cooling down services and storage services.
- Utilities – activities include manufacturing, marketing and supplying of industrial utilities.

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 income mainly comprise forex gain or loss as well as 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 joint ventures and associate 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.

Notes to the Financial Statements
31 December 2025

27. OPERATING SEGMENTS (continued)

Group Business Segments 2025 In RM'000	Gas Processing	Gas Transportation	Regasification	Utilities	Total
Revenue	1,866,642	1,130,326	1,378,536	1,998,336	6,373,840
Segment results	867,928	414,521	607,549	257,607	2,147,605
Unallocated income					101,581
Operating profit					2,249,186
Financing costs					(82,565)
Share of profit after tax of equity-accounted joint ventures and associate					178,383
Profit before taxation					2,345,004
Tax expense					(508,532)
Profit for the year					1,836,472
Included in the measure of segment profit are:					
Depreciation	(501,280)	(160,751)	(403,454)	(159,787)	(1,225,272)
Unallocated depreciation	—	—	—	—	1,806

Group Business Segments 2024 In RM'000	Gas Processing	Gas Transportation	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	(506,493)	(129,148)	(392,380)	(146,924)	(1,174,945)
Unallocated depreciation	—	—	—	—	1,717

Notes to the Financial Statements
31 December 2025

27. OPERATING SEGMENTS (continued)

Group Business Segments 2025 In RM'000	Gas Processing	Gas Transportation	Regasification	Utilities	Total
Segment assets	4,714,962	4,899,708	5,010,865	2,232,027	16,857,562
Investment in joint ventures					1,099,340
Investment in associate					218,250
Unallocated assets					1,638,563
Total assets					19,813,715
Included in the measure of segment assets are:					
Capital expenditure	792,718	747,201	451,361	609,538	2,600,818
Unallocated capital expenditure	—	—	—	—	94,649

Group Business Segments 2024 In RM'000	Gas Processing	Gas Transportation	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

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	2025	2024
- PETRONAS Energy and Gas Trading Sdn. Bhd.	Gas Transportation and Regasification	2,460,234	2,520,521
- PETRONAS	Gas Processing	1,860,100	1,865,983
- PETRONAS Chemicals Group Berhad	Utilities	1,435,057	1,533,256

28. 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 2025 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	844,080	27	844,107
Cash and cash equivalents	12	1,937,796	—	1,937,796
		2,783,876	27	2,783,903
Financial liabilities				
Borrowings*	16	(1,165,000)	—	(1,165,000)
Trade and other payables*	18	(2,216,369)	(3,703)	(2,220,072)
		(3,381,369)	(3,703)	(3,385,072)

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	924,394	3,681	928,075
Cash and cash equivalents	12	2,595,705	—	2,595,705
		3,522,099	3,681	3,525,780
Financial liabilities				
Borrowings*	16	(1,285,000)	—	(1,285,000)
Trade and other payables*	18	(1,382,227)	(757)	(1,382,984)
		(2,667,227)	(757)	(2,667,984)

* These balances exclude non-financial instrument balances.

Notes to the Financial Statements
31 December 2025

28. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

Company 2025 In RM'000	Note	AC	FVTPL - mandatorily at FVTPL	Total carrying amount
Financial assets				
Trade and other receivables*	11	809,739	—	809,739
Cash and cash equivalents	12	1,512,318	—	1,512,318
		2,322,057	—	2,322,057
Financial liabilities				
Trade and other payables*	18	(1,338,856)	(3,602)	(1,342,458)
		(1,338,856)	(3,602)	(1,342,458)

Company 2024 In RM'000	Note	AC	FVTPL - mandatorily at FVTPL	Total carrying amount
Financial assets				
Trade and other receivables*	11	814,029	3,681	817,710
Cash and cash equivalents	12	2,451,008	—	2,451,008
		3,265,037	3,681	3,268,718
Financial liabilities				
Trade and other payables*	18	(1,164,970)	—	(1,164,970)
		(1,164,970)	—	(1,164,970)

* 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 2025

28. 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 and related party customers, fund and other investments. 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

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 2025

28. 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 2025 which are grouped together as they are expected to have similar risk nature.

Group 2025 In RM'000	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating			
Excellent	**444,948**	**—**	**444,948**
Good	**331,101**	**(45)**	**331,056**
Fair	**5,108**	**(37)**	**5,071**
Amounts not subject to loss allowances*	**(736)**	**—**	**(736)**
	780,421	**(82)**	**780,339**
Representing			
Trade receivables	**780,421**	**(82)**	**780,339**

Group 2024 In RM'000	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	810,729	(12)	810,717

* Amounts not subject to loss allowances relate to credit notes issued to customers.

28. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) *Trade receivables (continued)*

Recognition and measurement of impairment loss (continued)

Company 2025 In RM'000	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating			
Excellent	**444,948**	**—**	**444,948**
Good	**207,850**	**(45)**	**207,805**
Fair	**5,108**	**(37)**	**5,071**
Amounts not subject to loss allowances*	**(736)**	**—**	**(736)**
	657,170	**(82)**	**657,088**
Representing			
Trade receivables	**657,170**	**(82)**	**657,088**

Company 2024 In RM'000	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	696,494	(12)	696,482

* Amounts not subject to loss allowances relate to credit notes issued to customers.

Notes to the Financial Statements
31 December 2025

28. 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 end of reporting date, before loss allowances, are analysed as below:

		Group		Company	
In RM'000	**Note**	**2025**	**2024**	**2025**	**2024**
At net					
Current		**778,105**	810,729	**654,854**	696,494
Past due 1 to 30 days		**1,057**	—	**1,057**	—
Past due 31 to 60 days		**1,259**	—	**1,259**	—
		780,421	810,729	**657,170**	696,494
Representing:					
Trade receivables	11	**53,758**	35,767	**53,758**	35,767
Amount due from holding company	11.1	**163,856**	163,826	**163,856**	163,826
Amount due from subsidiaries	11.2	**—**	—	**156**	457
Amount due from joint ventures and associate	11.3	**536**	1,075	**536**	1,075
Amount due from related companies	11.4	**529,945**	565,457	**406,538**	450,765
Amount due from related parties	11.5	**32,326**	44,604	**32,326**	44,604
		780,421	810,729	**657,170**	696,494

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:

2025 In RM'000	Trade receivables	Other receivables	Total
Group and Company			
Opening balance	**(12)**	**(75)**	**(87)**
Impairment recognised	**(70)**	**(91)**	**(161)**
Closing balance	**(82)**	**(166)**	**(248)**

28. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(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

As at the end of the reporting period, 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.

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.

Notes to the Financial Statements
31 December 2025

28. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

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 2025 In RM'000	Carrying amount	Contractual profit per annum/ discount rate %	Contractual cash flows^	Within 1 year
Islamic Murabahah Medium Term Notes	1,165,000	2.03 to 3.74	1,436,531	136,751
Lease liabilities	358,745	4.27 to 8.40	608,921	39,696
Trade and other payables*	2,220,072	—	2,220,072	2,220,072
	3,743,817		4,265,524	2,396,519

Group 2025 In RM'000	1-2 years	2-5 years	More than 5 years
Islamic Murabahah Medium Term Notes	129,081	366,093	804,606
Lease liabilities	30,811	92,489	445,925
Trade and other payables*	—	—	—
	159,892	458,582	1,250,531

Company 2025 In RM'000	Carrying amount	Contractual profit per annum/ discount rate %	Contractual cash flows^	Within 1 year
Lease liabilities	6,360	8.20	13,195	640
Trade and other payables*	1,342,458	—	1,342,458	1,342,458
	1,348,818		1,355,653	1,343,098

Company 2025 In RM'000	1-2 years	2-5 years	More than 5 years
Lease liabilities	640	1,921	9,994
Trade and other payables*	—	—	—
	640	1,921	9,994

^ 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 2025

28. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

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	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

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	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

^ 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 2025

28. FINANCIAL INSTRUMENTS (continued)

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 securities and fixed rate borrowings are exposed to a risk of change in their fair values 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' policies and guidelines.

The carrying amount of the Group's and the Company's interest-bearing financial instruments as at reporting date is as follows:

	Group		Company	
In RM'000	2025	2024	2025	2024
Fixed rate instruments				
Financial assets	**861,777**	1,106,791	**843,409**	1,086,976
Financial liabilities	**(1,523,745)**	(1,847,402)	**(6,360)**	(6,474)
	(661,968)	(740,611)	**837,049**	1,080,502
Floating rate instruments				
Financial assets	**1,076,019**	1,556,370	**668,909**	1,431,488
	1,076,019	1,556,370	**668,909**	1,431,488

Cash flow sensitivity analysis for variable rate instruments

A change of basis points (b.p.s) in interest rates for financial assets 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.

	Group		Company	
In RM'000	2025	2024	2025	2024
Increase/ decrease in interest rate b.p.s				
Financial assets	**40 b.p.s**	50 b.p.s	**40 b.p.s**	50 b.p.s
Profit or loss	**4,304**	7,782	**2,676**	7,157

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 2025

28. 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	2025	2024
Denominated in USD		
Financial assets		
Trade and other receivables	**13,723**	92,268
	13,723	92,268
Financial liabilities		
Lease liabilities	**(342,447)**	(544,146)
Trade and other payables	**(746,489)**	(37,893)
	(1,088,936)	(582,039)
Net exposure	**(1,075,213)**	(489,771)

Company In RM'000	2025	2024
Denominated in USD		
Financial assets		
Trade and other receivables	**2,667**	80,417
Financial liabilities		
Trade and other payables	**(15,311)**	(32,321)
Net exposure	**(12,644)**	48,096

Notes to the Financial Statements
31 December 2025

28. 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 and equity as at 31 December 2025 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2025 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 and equity of applying reasonably foreseeable market movements in the following currency exchange rates:

In RM'000	Appreciation in foreign currency rate %	Group Effect on equity	Group Effect on profit/(loss)	Company Effect on equity	Company Effect on profit/(loss)
2025					
USD	**5**	**(16,123)**	**(37,637)**	**—**	**(632)**
2024					
USD	10	—	(48,977)	—	4,810

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 2025

28. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge

The Group is exposed to transactional foreign currency risk arising from mismatches between the currencies in which lease liabilities and receipts from transactions with customers are denominated and the Group's functional currency. The Group's functional currency is primarily RM, while the lease transactions are primarily denominated USD.

The Group uses USD-denominated forecasted lease payments as hedging instruments to manage its exposure to foreign currency risk arising from forecast USD-denominated storage receipts from customers. The Group designates the change in the fair value of the lease liabilities as the hedging instrument in its cash flow hedging relationships and applies hedge ratio of 1:1.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the expected highly probable forecast transactions with customers match with the terms of the leasing commitments. To test the hedge effectiveness, the Group compare the nominal value of the lease liability against the nominal value of the forecasted cashflow from transactions with its customer.

The hedge ineffectiveness can arise from any of the following:
- changes in economic relationship between the hedged item and the hedging instrument; or
- change in the notional value of the hedged item; or
- change in settlement dates or terms; or
- change in credit risk whereby the counterparty may not be able to deliver on their financial obligation

The following table indicates the periods in which the cash flows are expected to occur for cash flow hedges:

Group 2025 In RM'000	Total nominal amount	Within 1 year	1-2 years	2-5 years	More than 5 years
Lease payments*	(549,311)	(27,960)	(27,960)	(83,955)	(409,436)
Forecasted storage fees receipts**	549,311	27,960	27,960	83,955	409,436
	—	—	—	—	—

* The carrying amounts of the above hedging instruments are included in Note 16 Borrowings.
** Forecasted storages fees receipts represent the effective portion of the hedge.

During the year, an unrealised foreign exchange gain of RM12,158,000 (2024: Nil) was recognised in equity and no ineffective portion was recognised in the profit or loss that arises from cash flow hedges amount.

Notes to the Financial Statements
31 December 2025

28. 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 carrying amounts shown in the statement of financial position.

Group 2025 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	—	814	814	2,000
Derivative assets	27	—	27	27
	27	814	841	2,027
Financial liabilities				
Islamic financing facility	—	(1,096,185)	(1,096,185)	(1,165,000)
Derivative liabilities	(3,703)	—	(3,703)	(3,703)
	(3,703)	(1,096,185)	(1,099,888)	(1,168,703)

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 facilities	—	(1,168,655)	(1,168,655)	(1,285,000)
Derivative liabilities	(757)	—	(757)	(757)
	(757)	(1,168,655)	(1,169,412)	(1,285,757)

28. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Company 2025 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 liabilities				
Derivative liabilities	(3,602)	—	(3,602)	(3,602)
	(3,602)	—	(3,602)	(3,602)

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
	3,681	—	3,681	3,681

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 2025

28. FINANCIAL INSTRUMENTS (continued)

Income/(expense), net gains and losses arising from financial instruments

Group In RM'000	Interest income	Interest expense	Others	Total
2025				
Financial assets at AC	96,193	—	(5,294)	90,899
Financial asset at FVTPL	—	—	27	27
Financial liabilities at AC	—	(35,899)	6,130	(29,769)
Financial liabilities at FVTPL	—	—	(13,196)	(13,196)
Total	96,193	(35,899)	(12,333)	47,961
2024				
Financial assets at AC	123,367	—	(2,958)	120,409
Financial assets at FVTPL	—	—	4,375	4,375
Financial liabilities at AC	—	(41,420)	1,126	(40,294)
Financial liabilities at FVTPL	—	—	(7,240)	(7,240)
Total	123,367	(41,420)	(4,697)	77,250

Company In RM'000	Interest income	Others	Total
2025			
Financial assets at AC	86,142	(5,267)	80,875
Financial liabilities at AC	—	(414)	(414)
Financial liabilities at FVTPL	—	(8,062)	(8,062)
Total	86,142	(13,743)	72,399
2024			
Financial assets at AC	115,734	(2,846)	112,888
Financial asset at FVTPL	—	4,375	4,375
Financial liabilities at AC	—	942	942
Total	115,734	2,471	118,205

29. 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.

30. SIGNIFICANT EVENTS

Putra Heights Pipeline Fire Incident

On 1 April 2025, a fire occurred at the Company's main pipeline near Putra Heights, Selangor. The Group immediately activated contingency plans with the authorities to safeguard communities, protect the environment and maintain continuity of national gas supply. An Independent Taskforce was established at the Board level to provide strategic and independent oversight on the post incident investigation process, recovery and restoration works, and ensure safety of the gas transportation infrastructure.

Gas-in for a temporary pipeline was safely resumed on 1 July 2025, and the Company intensified various community-focused programmes, including safety awareness, emergency preparedness and environmental restoration activities around the affected area.

The total repair and restoration costs are estimated at RM170.0 million, a substantial portion of which is expected to be capitalised, with partial insurance recovery anticipated. For the financial year ended 31 December 2025, the total impact on the Group's and the Company's profit is approximately RM50.0 million, inclusive of revenue loss from temporary service interruption.

On 22 October 2025, the Company, together with several other parties, was served with a Writ of Summons and Statement of Claim by 36 residents of Putra Heights in relation to the April 2025 fire incident. The residents are seeking compensation for alleged losses and damages, including special, general, aggravated and exemplary damages, as well as costs and other reliefs deemed fit by the Court. The quantum of special damages claimed amounts to RM68 million. The Company has appointed legal counsel and has filed its Statement of Defence on 30 January 2026.

Internal Reorganisation

On 1 October 2025, the Company announced a Proposed Internal Reorganisation ("PIR"), aimed to streamline the Company's business segments into identifiable business entities by establishing a distinction between regulated and non-regulated businesses.

The PIR entails the transfer of the assets, liabilities and business undertakings of the Company's core business segments, namely gas transportation, gas processing and utilities, into three (3) wholly owned subsidiaries. In addition, all entities operating the utilities and energy businesses will be consolidated under a wholly-owned holding company, PG Energia Sdn. Bhd., to better position the growing utilities and energy business.

On 31 October 2025, in accordance with Section 366(1) of the Companies Act 2016, the Company filed the relevant court papers with the High Court of Malaya to obtain the requisite order granting leave to convene a members' meeting in relation to the PIR. The High Court granted the order on 8 December 2025.

Pursuant to the High Court order, a Court-Convened Meeting was held on 12 February 2026, at which the necessary approval from shareholders for the PIR was obtained.

31. ADOPTION OF REVISED PRONOUNCEMENT

During the financial year, the Group and the Company adopted the following pronouncement that had been issued by the MASB and is applicable as listed below:

Effective for annual periods beginning on or after 1 January 2025
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

The initial application of the above-mentioned pronouncement did not have any material impact to the financial statements of the Group and the Company.

Notes to the Financial Statements
31 December 2025

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 2026
Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (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 - Volume 11)*

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 is 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 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The standard mandates structured subtotals in the statement of profit or loss, classification of income and expenses into defined categories, and disclosure of management-defined performance measures with reconciliations to MFRS amounts.

The Group and the Company have assessed the estimated impact on financial statements upon the initial application of MFRS 18. The implementation of MFRS 18 will not result in changes to the recognition and measurement of financial statements. The impact will be limited to the financial statements' disclosures and presentation.

Upon adoption, the Group and the Company expect the impact mainly from the classification of income derived from the Group's equity accounted investments and the Company's interest income from related parties into the investing category within the statement of profit or loss.

The Group and the Company do not expect significant changes to the information that is currently disclosed in the notes as the requirement to disclose material information remains unchanged. However, there will be new disclosures required for:
i. Management-defined performance measures; and
ii. The nature of expenses for certain line items presented by function in the operating category of the statement of profit or loss.

33. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE COMPANY

The MASB has issued new pronouncements which are not relevant to the 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

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates Translation to a Hyperinflationary Presentation Currency*

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

34. SUBSIDIARIES AND ACTIVITIES

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest 2025 %	Effective ownership and voting interest 2024 %
Subsidiaries of the Company				
Regas Terminal (Sg. Udang) Sdn. Bhd.	Own and operate LNG regasification terminal	Malaysia	**100**	100
PG Cold Energy 1 Sdn. Bhd. [Formerly known as Regas Terminal (Pengerang) Sdn. Bhd.]	Construct, own and lease LNG air separation unit facilities	Malaysia	**—**	100
Sipitang Utilities Sdn. Bhd.	Construct, own and operate power plant for generation of electricity	Malaysia	**—**	90
Pengerang LNG (Two) Sdn. Bhd.	Own and operate LNG regasification terminal	Malaysia	**65**	65
PG Energia Sdn. Bhd.	Investment holding company for utility and energy business	Malaysia	**100**	100
PG Gas Processing Sdn. Bhd.	Dormant	Malaysia	**100**	100
PG Transco Sdn. Bhd.	Dormant	Malaysia	**100**	100
Subsidiaries of PG Energia Sdn. Bhd.				
PG Cold Energy 1 Sdn. Bhd.	Construct, own and lease LNG air separation unit facilities	Malaysia	**72.2**	—
Sipitang Utilities Sdn. Bhd.	Construct, own and operate power plant for generation of electricity	Malaysia	**90**	—
PG Linkaranfibre Sdn. Bhd.	Network infrastructure and service provider for telecommunications and technology solutions	Malaysia	**100**	—
PG Utilities East Sdn. Bhd.	Dormant	Malaysia	**100**	100
Rancha Power Sdn. Bhd.	Dormant	Malaysia	**—**	100

Notes to the Financial Statements
31 December 2025

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 2025 %	Effective ownership and voting interest 2024 %
Kimanis Power Sdn. Bhd.*	Generation and sale of electricity	Malaysia	**60**	60
Kimanis 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
Kimanis Power (Dua) Sdn. Bhd.*^	Operation of generation facilities that produce electric energy	Malaysia	**60**	60
Rancha Power Sdn. Bhd.*^	Operation of generation facilities that produce 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.

36. ASSOCIATE AND ACTIVITY

Details of the associate are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest 2025 %	Effective ownership and voting interest 2024 %
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 PETRONAS, a company incorporated in Malaysia.

Independent Auditors' Report to the Members of PETRONAS Gas Berhad

(Company No. 198301006447 (101671-H)) (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 2025 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 168 to 251.

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 2025, 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"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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 RM1,828 million and RM1,620 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*.

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: 24 February 2026

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 Mark Victor Rozario
Independent Non-Executive Director

Sujit Singh Parhar s/o Sukhdev Singh
Independent Non-Executive Director

Datuk Dr. Yatimah Sarjiman
Independent Non-Executive Director

Yusa' Hassan
Independent Non-Executive Director

Lim Li Ping
Non-Independent Non-Executive Director

Izwan Ismail
Non-Independent Non-Executive Director

Board Audit Committee
Farina Farikhullah Khan (Chairman)
Datuk Mark Victor Rozario
Datuk Dr. Yatimah Sarjiman
Yusa' Hassan

Board Sustainability and Risk Committee
Sujit Singh Parhar s/o Sukhdev Singh (Chairman)
Farina Farikhullah Khan
Datuk Mark Victor Rozario
Datuk Dr. Yatimah Sarjiman
Yusa' Hassan

Nomination and Remuneration Committee
Datuk Mark Victor Rozario (Chairman)
Farina Farikhullah Khan
Sujit Singh Parhar s/o Sukhdev Singh

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
Azira Marini Ab Rahim
SSM Practising Certificate No.
201908001107
(LS0008959)

Mek Yam @ Mariam Hassan
SSM Practising Certificate No.
201908000788
(MAICSA 7030578)

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

* 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.

Corporate Directory

PETRONAS Gas Berhad
Level 49 & 50
Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

Gas Processing

Gas Processing Plant, Kertih
KM 105, Jalan Kuantan-Kuala Terengganu
24300 Kertih, Kemaman
Terengganu

Gas Processing Plant, Santong
KM 8, Kampung Tok Arun
Off Jalan Santong
23100 Paka, Dungun
Terengganu

Tanjung Sulong Export Terminal
Tanjung Sulong
24000 Kemaman
Terengganu

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 : +(60) 1392 11594

Kuantan Regional Office
Lot 1, Sektor 1,
Bandar Indera Mahkota
25200 Kuantan
Pahang
Tel : +(60) 1392 11594

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

Utilities

Utilities Plant, Kertih
Kertih Integrated Petrochemical Complex
KM 105, Jalan Kuantan-Kuala Terengganu
24300 Kertih, Kemaman
Terengganu

Utilities Plant, Gebeng
Lot 139A,
Gebeng Industrial Area Fasa III
26080 Kuantan
Pahang

Joint Ventures

Kimanis Power Sdn. Bhd.
KM 48, Kg. Batu Pungit
89607 Kimanis, Papar
Sabah
Tel : +(6088) 909 000
Fax : +(6088) 909 139
Hp : +(60) 1393 46474

Pengerang Gas Solutions Sdn. Bhd.
Lot 137, ASU RAPID
Pengerang Integrated Complex
81600 Pengerang
Johor
Tel : +(607) 817 5915

Analysis of Shareholdings

as at 27 February 2026

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

	No. of Holders		No. of Shares		%	
Size of Holdings	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
1 to 99	2,989	29	12,906	329	0.001	0
100 to 1,000	8,008	191	5,952,379	97,441	0.301	0.005
1,001 to 10,000	2,090	176	6,571,893	851,727	0.332	0.043
10,001 to 100,000	226	313	7,843,950	12,408,202	0.396	0.626
100,001 to 98,936,595 (*)	125	209	393,758,645	172,498,934	19.9	8.718
98,936,596 and above (**)	3	0	1,378,735,509	0	69.678	0
Total	**13,441**	**918**	**1,792,875,282**	**185,856,633**	**90.608**	**9.392**

	No. of Holders	No. of Shares	%
Grand Total	**14,359**	**1,978,731,915**	**100**

Remark : * less than 5% of issued shares
** 5% and above of issued shares

Classification of Shareholders

	No. of Holders			No. of Shares			% of Total Shareholdings		
	Malaysian		**Foreign**	**Malaysian**		**Foreign**	**Malaysian**		**Foreign**
Category	**Bumiputra**	**Non - Bumiputra**		**Bumiputra**	**Non - Bumiputra**		**Bumiputra**	**Non - Bumiputra**	
1 Individual	2,798	8,458	138	2,605,354	10,055,806	262,847	0.132	0.508	0.013
2 Body Corporate									
a Banks/Finance Companies	28	2	0	219,112,900	193,762,623	0	11.073	9.792	0
b Investment Trusts/ Foundation/ Charities	16	5	0	174,500	165,100	0	0.009	0.008	0
c Industrial and Commercial Companies	72	120	6	1,712,900	1,439,851	119,801	0.088	0.073	0.006
3 Government Agencies/ Institutions	4	0	0	1,230,000	0	0	0.062	0	0
4 Nominees	994	942	774	1,053,131,738	309,482,508	185,473,985	53.223	15.64	9.373
5 Others	0	2	0	0	2002	0	0	0	0
Total	**3,912**	**9,529**	**918**	**1,277,967,392**	**514,907,890**	**185,856,633**	**64.587**	**26.021**	**9.392**

	No. of Holders	No. of Shares	%
Grand Total	**14,359**	**1,978,731,915**	**100**

Analysis of Shareholdings

as at 27 February 2026

List of Substantial Shareholders

		No. of Shares	Shareholdings	%
1	Petroliam Nasional Berhad (PETRONAS)		1,009,153,300	51.00
2	Employees Provident Fund Board		268,193,831	13.55
3	Kumpulan Wang Persaraan (Diperbadankan)		196,216,123	9.92
			1,473,563,254	**74.47**

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	Yusa' bin Hassan	-	-	-	-
4	Farina binti Farikhullah Khan	-	-	-	-
5	Datuk Mark Victor Rozario	-	-	-	-
6	Sujit Singh Parhar s/o Sukhdev Singh	-	-	-	-
7	Datuk Dr Yatimah binti Sarjiman	-	-	-	-
8	Lim Li Ping	-	-	-	-
9	Izwan bin Ismail	-	-	-	-
	Total			**-**	**-**

List of Senior Management's Shareholdings

None of the Senior Management members hold shares directly or indirectly in PGB.

List of 30 Largest Shareholders

No.	Name	No. of Shares	% of Total Shareholdings
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR PETROLIAM NASIONAL BERHAD*	1,008,616,900	50.973
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	193,696,023	9.789
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD*	176,422,586	8.916
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)*	70,943,445	3.585
5	AMANAH RAYA TRUSTEES BERHAD *AMANAH SAHAM BUMIPUTERA*	55,000,000	2.78
6	AMANAH RAYA TRUSTEES BERHAD *AMANAH SAHAM MALAYSIA*	36,896,000	1.865
7	AMANAH RAYA TRUSTEES BERHAD *AMANAH SAHAM MALAYSIA 3*	32,074,900	1.621
8	AMANAH RAYA TRUSTEES BERHAD *AMANAH SAHAM MALAYSIA 2 - WAWASAN*	27,000,000	1.365
9	LEMBAGA TABUNG HAJI	26,041,700	1.316
10	AMANAHRAYA TRUSTEES BERHAD *AMANAH SAHAM BUMIPUTERA 2*	18,075,900	0.914
11	HSBC NOMINEES (ASING) SDN BHD *JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND*	13,723,212	0.694
12	HSBC NOMINEES (ASING) SDN BHD *JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND*	13,195,463	0.667
13	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF*	8,981,300	0.454
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)*	8,789,500	0.444
15	AMANAHRAYA TRUSTEES BERHAD *AMANAH SAHAM BUMIPUTERA 3 - DIDIK*	8,433,000	0.426
16	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PBTB FOR TAKAFULINK DANA EKUITI*	7,372,400	0.373
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)*	7,067,900	0.357

Analysis of Shareholdings

as at 27 February 2026

List of 30 Largest Shareholders (continued)

No.	Name	No. of Shares	% of Total Shareholdings
18	HSBC NOMINEES (ASING) SDN BHD *JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II*	7,030,400	0.355
19	HSBC NOMINEES (ASING) SDN BHD *HSBC-FS G FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)*	6,077,500	0.307
20	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND*	5,538,400	0.28
21	HSBC NOMINEES (ASING) SDN BHD *JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS*	5,267,900	0.266
22	AMANAHRAYA TRUSTEES BERHAD *PUBLIC ISLAMIC DIVIDEND FUND*	5,125,300	0.259
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD *MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240)*	4,500,000	0.227
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)*	4,107,100	0.208
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)*	3,957,400	0.2
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD *MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)*	3,871,900	0.196
27	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)*	3,715,011	0.188
28	CARTABAN NOMINEES (ASING) SDN BHD *BNYM SA/NV FOR ISHARES PUBLIC LIMITED COMPANY*	3,417,000	0.173
29	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *SSBT FUND ZV86 FOR STATE STREET GLOBAL ADVISORS TRUST COMPANY INVESTMENT FUNDS FOR TAX EXEMPT RETIREMENT PLANS*	2,991,000	0.151
30	CARTABAN NOMINEES (TEMPATAN) SDN BHD *PAMB FOR PRULINK EQUITY FOCUS FUND*	2,935,900	0.148

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group 2025 (RM)	Group 2024 (RM)
Revenue		**6,373,840,411**	6,538,245,457
Other income		**186,021,132**	51,141,660
Interest/Finance income		**96,193,570**	123,367,406
Share of profit of associates		**57,641,166**	67,631,609
Share of profit of ventures		**120,741,535**	79,656,504
Total		**6,834,437,814**	6,860,042,636
Total Assets		**19,813,715,456**	18,754,658,966

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2025 (RM)	Group 2024 (RM)
Interest income		**6,326,808**	8,827,093
Total		**6,326,808**	8,827,093

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group 2025 (RM)	Group 2024 (RM)
Cash at bank		**981,069,561**	1,527,221,593
Deposits with licensed bank		**861,776,861**	1,039,334,767
Total Cash		**1,842,846,422**	2,566,556,360

Conventional Account/Instruments	Remarks	Group 2025 (RM)	Group 2024 (RM)
Cash at bank		**94,949,289**	29,148,436
Total Cash		**94,949,289**	29,148,436

Disclosure of Financial Data for Shariah Screening

(c) Component of Financial Position (Continued)

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current		**100,000,000**	120,000,000
Non-Current		**1,065,000,000**	1,165,000,000
Total Financing		**1,165,000,000**	1,285,000,000

Conventional Borrowing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current		**N/A**	N/A
Non-Current		**N/A**	N/A
Total Debt		**N/A**	N/A

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 2025.

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 2025 (RM'000)
Terengganu							
Gas Processing Plants, Kertih KM 105, Jalan Kuantan - Kuala Terengganu, 24300 Kertih, Kemaman, Terengganu Darul Iman		Leasehold Expiry:	Leasehold land				**1,474,315**
Lot No. 1903	30.09.1991	28.02.2043 (Sub-Lease 60 years)	Plant	87.9			
			GPP 1		41.3	95,998	
			GPP 2		33.4	123,310	
			GPP 3		33.1	123,310	
Lot No. 3541	30.09.1991	03.04.2050 (60 years)	GPP 4 / DPCU 2	34.6	31.5	266,400	
			Compressor station		34.1	65,010	
Lot No. 1902	30.09.1991	26.02.2082 (99 years)	Office	2.7			
			Administration building 1		40.4	1,282	
			Administration building 2		35.7	6,892	
			Fire station		37.8	3,248	
Gas Processing Plants, Paka KM 8, Kg. Tok Arun, Off Jalan Santong, 23100 Paka, Dungun, Terengganu Darul Iman		Leasehold Expiry:	Leasehold land				**1,178,665**
Lot No. 7346	03.08.1997	13.07.2058 (60 years)	Plant	189.5			
			GPP 5		26.9	200,000	
			GPP 6		26.0	220,000	
			DPCU 3		27.3	60,000	
			Office				
			Administration building		28.2	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 2025 (RM'000)
Terengganu							
Export Terminal Operation Tanjung Sulong, 24000 Kemaman, Terengganu Darul Iman		Leasehold Expiry:	Leasehold land				**208,625**
Lot No. 1314	24.07.1993	19.03.2025 (40 years)	Plant	9.7	41.1	1,146	
			Unit 1,2,3,4				
			Office				
			Administration building				
Lot No. 1333	24.07.1993	11.03.2027 (40 years)	Marine facility				
			Breakwater Jetty	2.7	41.1		
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			**476,358**
Lot No. 8065	21.12.1999	19.08.2060 (60 years)	Plant				
			CGN B		26.1	667	
			CGN C		25.6	2,000	
			CGN D, E, F		25.6	2,000	
			Water plant		25.7	667	
			CGN G		24.8	15,451	
			ASU		24.8	729	
			Control room, lab & workshop		24.6	1,820	
			Office				
			Administration building		24.9	514	

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 2025 (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			**5,926**
Lot No. PT16756	04.01.1989	04.01.2088 (99 years)	Office				
			Regional office		34.2	2,428	
Kuantan Compressor Station, Kampung Mahkota, KM 19, Jalan Gambang, 26070 Kuantan, Pahang Darul Makmur		Leasehold Expiry:	Leasehold land	20.3			**61,006**
Lot No. 104462	04.01.1989	26.08.2101 (99 years)	Plant				
			Compressor station		32.1	1,142	
			Compressor station		16.2	4,378	
Utilities Plant, Gebeng, Lot 139A, Gebeng Industrial Area, Phase III, 26080 Kuantan, Pahang Darul Makmur		Leasehold Expiry:	Leasehold land	18.8			**360,450**
Lot No. PT15127	17.11.1999	08.01.2100 (99 years)	Plant				
			CGN A		26.1	667	
			CGN B		26.1	667	
			CGN C		26.1	667	
			N2GEN		26.1	360	
			Water plant		25.6	2,000	
			CGN E		6.8	780	
			Office				
			Maintenance building		24.6	1,015	
			Warehouse		24.6	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 2025 (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			**260,218**
Lot No. PTD564	22.09.1991	18.02.2102 (99 years)	Plant				
			Compressor station		28.0	2,792	
			Office				
			Operation centre		33.4	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			**6,438**
Lot No. PTD84942	23.04.1989	22.04.2088 (99 years)	Office				
			Regional office		33.5	2,428	
			Lease from third party				
			Land				**5,333**
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			**1,721,771**
Lot PTD 5041	05.02.2015	04.02.2080 (65 years)	Plant				
			Tank 1		10.9		
			Tank 2		10.5		
			Office				
			Administration building				
			Lease from third party				
			Land				**7,047**
			Jetty				**633,496**
			Regasification Floating Storage				**330,801**

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 2025 (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			**5,074**
Lot No. 21958	16.02.1994	Freehold	Office				
			Regional office		34.4	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			**11,137**
Lot No. PT606	12.10.1990	11.10.2089 (99 years)	Office				
			Regional office		34.1	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	**786**
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			**2,964**
Lot No. PT4535	04.11.1997	27.06.2101 (99 years)	Office				
			Regional office		28.2	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 2025 (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			**3,987**
Lot No. 8173	18.12.1997	22.04.2102 (99 years)	Office Regional office		27.3	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	25.21			**435**
			Pipeline Pipeline across 8.4 km		20.8	N/A	
Melaka							
LNG Regasification Terminal, Sungai Udang PSR-1/ MG3 Retrofit Site Office Revamp PETRONAS Penapisan Sungai Udang, Melaka			Facilities Jetty				**1,059,185**
	01.10.2012	30.04.2036 (24 years)	Office Administration building	N/A	10.5	3,000	
	01.07.2011	Lease Expiry: 30.06.2038 (25 years)	Lease from third party Regasification Floating Storage				**492,982**
			LNG bunkering	N/A	12.6	N/A	**18,609**
			Land				**1,602**
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			**4,951**
Lot 2-8(b)							

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 2025 (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)	Pipelines Pipelines in leasehold land Terengganu: 74 lots	Terengganu: 332.1	41.3	N/A	**438,995**
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)	Pipelines 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: 544.1 Johor: 1,060.1 Melaka: 190.4 Negeri Sembilan: 460.1 Selangor: 297.0	34.1	N/A	**2,076,945**
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)	Pipelines 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 : 178.3 WP Kuala Lumpur : 17.9 Perak : 539.9 Penang : 118.1 Kedah: 473.9 Perlis: 87.0	Sector 1: 30.1 Sector 2&3: 28.2	N/A N/A	**406,675**

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 2025 (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)	Pipelines Pipelines in leasehold land Terengganu: 77 lots Pahang: 315 lots	 Terengganu: 141.5 Pahang: 103.8	26.4	N/A	**288,772**
PGU Loop 2 – total gas pipeline of 228 km from Segamat, Johor to Meru, Selangor	01.11.2000	Leasehold Expiry: (99 years)	Pipelines Pipelines in leasehold land Melaka: 4 lots Negeri Sembilan: 4 lots	 Melaka: 1.3 Negeri Sembilan: 1.1	25.4	N/A	**240,905**
Total							**11,784,453**

Abbreviations:

CGN : Cogeneration 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	2,693,115
2	PGU II	2,076,945
3	LNG Regasification Terminal, Sungai Udang	1,572,378
4	Gas Processing Plants, Kertih	1,474,315
5	Gas Processing Plants, Paka	1,178,665
6	Utilities Plant, Kertih	476,358
7	PGU I	438,995
8	PGU III	406,675
9	Utilities Plant, Gebeng	360,450
10	PGU Loop I	288,772

Notice of the 43rd Annual General Meeting (AGM)

NOTICE IS HEREBY GIVEN THAT the 43rd Annual General Meeting (AGM) of PETRONAS Gas Berhad (the Company) will be held at the Grand Ballroom, Basement II, Shangri-La Kuala Lumpur, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia (Main Venue) and virtually through live streaming and online participation via the online meeting platform at https://investor.boardroomlimited.com (Online Platform) on Wednesday, 29 April 2026 at 10.00 a.m. to transact the following businesses:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A

2. To re-elect Abdul Aziz Othman who retires by rotation pursuant to Article 107 of the Company's Constitution and being eligible, has offered himself for re-election. **(Resolution 1)**
   Please refer to Explanatory Note B

   Datuk Mark Victor Rozario who also retires by rotation pursuant to Article 107 of the Company's Constitution, has expressed his intention to retire from office and not to seek for re-election. Hence, he will retire from office at the conclusion of the 43rd AGM of the Company.
   Please refer to Explanatory Note B

3. To re-elect Datuk Dr. Yatimah Sarjiman who was appointed as Director during the year and retires pursuant to Article 100 of the Company's Constitution and being eligible, has offered herself for re-election. **(Resolution 2)**
   Please refer to Explanatory Note B

4. To re-elect Lim Li Ping who was appointed as Director during the year and retires pursuant to Article 100 of the Company's Constitution and being eligible, has offered herself for re-election. **(Resolution 3)**
   Please refer to Explanatory Note B

5. To re-elect Yusa' Hassan who was appointed as Director during the year and retires pursuant to Article 100 of the Company's Constitution and being eligible, has offered himself for re-election. **(Resolution 4)**
   Please refer to Explanatory Note B

6. To re-elect Izwan Ismail who was appointed as Director during the year and retires pursuant to Article 100 of the Company's Constitution and being eligible, has offered himself for re-election. **(Resolution 5)**
   Please refer to Explanatory Note B

7. To approve the Directors' Fees and Allowances payable to the Non-Executive Directors of up to an amount of RM3 million with effect from 30 April 2026 until the next AGM of the Company. **(Resolution 6)**
   Please refer to Explanatory Note C

8. To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **(Resolution 7)**
   Please refer to Explanatory Note D

9. To transact any other business of which due notice shall have been received.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend and vote at the forthcoming 43rd AGM, the Company shall be requesting the Record of Depositors as at 22 April 2026. Only a depositor whose name appears on the Record of Depositors as at 22 April 2026 shall be entitled to attend, participate, speak and vote at the meeting as well as for appointment of proxy(ies) to attend, participate, speak and vote on his/her stead.

By Order of the Board

Azira Marini Ab Rahim (SSM Practising Certificate No. 201908001107) (LS0008959)
Mek Yam @ Mariam Hassan (SSM Practising Certificate No. 20190800788) (MAICSA 7030578)
Company Secretaries

Kuala Lumpur
27 March 2026

NOTES

Proxy and/or Authorised Representatives

1. The 43rd AGM of the Company will be held on a hybrid mode whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) will have an option, either:

   (a) To attend physically in person at the Main Venue; OR
   (b) To attend virtually through live streaming and online participation via the online meeting platform at https://investor.boardroomlimited.com.

2. A member of the Company who is entitled to attend, participate, speak and vote at the meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

3. 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 participate 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.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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 accounts.

5. 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.

6. 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.

7. The proxy form(s) and/or documents relating to the appointment of a proxy shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting in accordance with the Company's Constitution:

   (a) In hard copy form:
   Boardroom Share Registrars Sdn. Bhd. (Boardroom), 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan

   OR

   (b) By electronic means
   The proxy form can be electronically submitted to Boardroom through Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com or via email to bsr.proxy@boardroomlimited.com. Kindly refer to the Administrative Guide for the 43rd AGM on the procedures for electronic lodgement of proxy form via BSIP.

8. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.

9. Last date and time for lodging the proxy form is on Monday, 27 April 2026 at 10.00 a.m.

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item (7)(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.

11. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with Boardroom at the address stated under item (7)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:

    (a) 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.

    (b) 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.

12. 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 43rd AGM or any adjournment thereof.

    Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) all resolutions set out in the Notice of 43rd AGM will be put to vote on a poll.

Notice of the 43rd Annual General Meeting (AGM)

EXPLANATORY NOTES

Note A
Audited Financial Statements for the Financial Year Ended 31 December 2025

The audited financial statements are laid before the shareholders pursuant to the provision of Section 244(2)(a) and Section 340(1)(a) of the Companies Act, 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, 2, 3, 4 and 5: Re-election of Directors who retire in accordance with Article 107 and Article 100 of the Company's Constitution

1. **Re-election of Directors who retire 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 an AGM shall retain office until the close of the meeting.

   Abdul Aziz Othman and Datuk Mark Victor Rozario are due to retire in accordance with Article 107 of the Company's Constitution. Abdul Aziz Othman has given his consent for re-election at the 43rd AGM of the Company while Datuk Mark Victor Rozario has expressed his intention to retire from office and not to offer himself for re-election at the Company's 43rd AGM. In view thereof, Datuk Mark Victor Rozario will retire from office at the conclusion of the 43rd AGM.

   In assessing Abdul Aziz Othman for re-election, the Nomination and Remuneration Committee (NRC) evaluates his eligibility based on a comprehensive review of his competencies, commitment, contributions and overall performance. This assessment takes into account the findings of the Board Effectiveness Evaluation, the Fit and Proper Declaration, his ability to act in the best interests of the Company, as well as the assessment of any conflict of interest by the Board Audit Committee (BAC) where the BAC agreed on the proposed mitigations for any potential conflict of interest (COI) that may arise in light of the disclosures made by him in relation to his current role and directorships within PETRONAS Group.

   Having considered the above, the Board endorsed the NRC's recommendation to seek shareholders' approval for the re-election of Abdul Aziz Othman, who retires in accordance with Article 107 of the Company's Constitution at the forthcoming 43rd AGM under Ordinary Resolution 1.

2. **Re-election of Directors who retire in accordance with Article 100 of the Company's Constitution:**

   Article 100 of the Company's Constitution stipulates that the Board shall have the power to appoint additional Directors either to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office until the conclusion of the next AGM and shall be eligible for re-election.

   During the year under review, the following Directors were appointed to the Board and thus will be retiring under Article 100 of the Company's Constitution:

   (a) Datuk Dr. Yatimah Sarjiman
   (b) Lim Li Ping
   (c) Yusa' Hassan
   (d) Izwan Ismail

   The abovenamed Directors have indicated their willingness to be re - elected at the 43rd AGM of the Company. They have also completed their respective Fit and Proper Declarations and have met the requisite criteria in terms of character and integrity, experience and competence, and time and commitment.

   Additionally, the BAC has reviewed and assessed the COI disclosures for candidates for re-election and agreed that there is no COI or potential COI based on the disclosures made by Datuk Dr. Yatimah Sarjiman and Yusa' Hassan. As for Lim Li Ping and Izwan Ismail, the BAC agreed on the proposed mitigations for any potential COI that may arise in light of the disclosures made by them in relation to their current role and directorships within PETRONAS Group.

   Premised on the above, the Board endorsed the NRC's recommendation to seek shareholders' approval for the re-election of the above Directors retiring at the Company's 43rd AGM under Ordinary Resolutions 2, 3, 4 and 5.

   The details and profiles of the Directors who are standing for re-election at the 43rd AGM are provided in the Board of Directors' Profile on pages 80 to 88 of the Company's Integrated Report 2025.

Note C
Resolution 6: Non-Executive Directors' 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 Non-Executive Directors (NEDs) of the Company are as follows:

(a) Monthly fixed fees for duties as Director/Chairman;
(b) Meeting allowance for each Board/Board Committee attended; and
(c) Fuel allowance.

The Directors' fees and meeting allowances for NEDs who are also employees of Petroliam Nasional Berhad (PETRONAS) are paid directly to PETRONAS. The shareholders at the last AGM held on 23 April 2025 approved the Directors' fees and allowances of up to an amount of RM3 million for the period from 24 April 2025 until the next AGM of the Company. The actual Directors' fees and other benefits paid to the NEDs for the said period was RM2.2 million.

The Directors' fees and allowances for the NEDs for the period from 30 April 2026 until the next AGM of the Company (Mandate Period) are estimated not to exceed RM3 million. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and the assumption that additional NEDs may be appointed during the Mandate Period. 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 2025 are published in the Corporate Governance Report 2025 which is available on the Company's corporate website at www.petronas.com/pgb.

Note D
Resolution 7: Re-appointment of Auditors

The BAC had carried out an assessment on the performance, suitability and independence of the external auditors based on the following four key areas, and will continue to do so on an annual basis:

(a) quality of the audit engagement team and services;
(b) adequacy of resources;
(c) quality of communication and interaction; and
(d) independence, objectivity and professional scepticism.

The BAC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism.

The BAC was satisfied with the suitability of KPMG PLT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the PGB Group. KPMG PLT has also met the criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia.

The Board at its meeting held on 24 February 2026 approved the BAC's recommendation in seeking shareholders' approval on the reappointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2026.

Abstention from Voting

Pursuant to Resolutions 1, 2, 3, 4 and 5, the retiring Directors had abstained from deliberation and decision on their respective re-election at the Board meeting.

Any NED of the Company who is a shareholder of the Company will abstain from voting on Resolution 6 concerning remunerations of the NEDs at the 43rd AGM.

Other Information

The Company has engaged independent scrutineers to count, audit and validate the votes for each proposal presented to shareholders.

Administrative Guide For the 43rd Annual General Meeting (43rd AGM) of PETRONAS Gas Berhad

Date	:	**Wednesday, 29 April 2026**
Time	:	**10.00 a.m.**
Meeting Venue	:	**Grand Ballroom, Basement II, Shangri-La Kuala Lumpur, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia**
Online Meeting	:	**https://investor.boardroomlimited.com with Remote Participation Platform and Electronic Voting Facilities (provided by Boardroom Share Registrars Sdn Bhd (Boardroom))**

1. Hybrid 43rd AGM

The 43rd AGM of PETRONAS Gas Berhad (the Company) will be conducted via a hybrid mode, in accordance with paragraph 8.27A of the MAIN Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and in line with Principle C of the Malaysian Code on Corporate Governance 2021 whereby listed issuers are encouraged to leverage technology in conducting general meetings to facilitate greater shareholders' participation and enhance the proceedings of general meetings.

Shareholders shall have the option to attend the 43rd AGM either:

(i) in person or physically at the Meeting Venue (Physical Attendance); or

(ii) virtually through live streaming and online participation via the Remote Participation and Electronic Voting (RPEV) facilities at https://investor.boardroomlimited.com (Virtual Attendance).

The Meeting Venue is the main venue in Malaysia where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act 2016.

2. Entitlement to Participate and Vote

For the purpose of determining a member who shall be entitled to attend and vote at the forthcoming 43rd AGM, the Company shall be requesting the Record of Depositors as at 22 April 2026. Only a depositor whose name appears on the Record of Depositors as at 22 April 2026 shall be entitled to attend, participate, speak and vote at the meeting as well as for appointment of proxy(ies) to attend, participate, speak and vote on his/her stead.

If you wish to participate at the 43rd AGM, you must not submit any Proxy Form. Otherwise, you will not be permitted to attend the meeting alongside with proxy/proxies appointed by your goodself.

Please refer to item 4 below for further information in relation to the appointment of proxy.

3. Attendance and Registration at the 43rd AGM

(i) Physical Attendance

(a) All Shareholder(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 43rd AGM physically are required to register for the meeting at the Meeting Venue.

(b) Registration will start at 8.00 a.m. on Wednesday, 29 April 2026 at the Meeting Venue and will end upon the announcement by the Chairman of the meeting.

(c) Please produce your **ORIGINAL** MyKad/ Identification Card or Passport (for foreign shareholder) during registration for verification. Only **ORIGINAL** MyKad/Identification Card or Passport will be accepted for the purpose of identity verification. Please ensure that you collect your MyKad/Identification Card or passport thereafter.

(d) No person will be allowed to register on behalf of another person with the **ORIGINAL** MyKad/Identification Card or Passport of that other person.

(e) Upon verification and registration:

- Attendance will be recorded and an identification wristband will be provided at the registration counter.
- A special QR code will be generated for shareholders to scan and access to the e-polling system using own smartphone/tablet.
- If you are attending the AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband.
- No person will be allowed to enter the Meeting Venue without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.

(f) Please note that the registration counters are intended only for verification of shareholdings and 43rd AGM registration. Kindly vacate the area once registration is completed.

(g) Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

(h) Please ensure that all mobile devices, i.e. phones/pagers/other sound emitting devices are put on silent mode during the 43rd AGM to ensure smooth and uninterrupted proceedings.

(i) Parking is available at the Basement Parking, Shangri-La Kuala Lumpur. Please note that parking is limited and it will be on first-come-first-served basis.

(ii) Virtual Attendance

(a) All Shareholder(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 43rd AGM virtually are required to log in to the Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com to register for virtual participation in the hybrid 43rd AGM.

(b) Kindly refer to the following steps for registration to participate in 43rd AGM virtually:

Procedures		Actions
Before the day of the AGM		
Step (1)	Register online with BSIP for **Individual and Corporate Shareholder**	***(Note : For first time registration only. If you have already signed up with BSIP, you are not required to register again. You may proceed to Step (2) - Submit Request for Remote Participation)*** (a) Access the website https://investor.boardroomlimited.com. (b) Click 'Register' to sign up as a user. (c) Select 'Account Type' to 'Sign Up As Shareholder' or 'Sign Up As Corporate Holder'. (d) Complete registration and upload compulsory documents such as softcopy of MyKad (front and back) or passport and authorisation letter (template available on the BSIP) for Corporate Shareholder. (e) Enter a valid mobile number and email address. (f) You will receive an email from BSIP for email address verification. Click 'Verify Email Address' in the email received to continue with the registration. (g) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click 'Request OTP Code' and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click 'Enter' to complete the process. (h) Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Administrative Guide For the 43rd Annual General Meeting (43rd AGM) of PETRONAS Gas Berhad

Procedures		Actions
Step (2)	Submit request for remote participation and submission of proxy form	***(Note: You must be a registered BSIP user. Otherwise, please refer to Step (1))*** The registration for RPEV facilities will open on Friday, 27 March 2026 until such time before the voting session ends at the 43rd AGM on Wednesday, 29 April 2026 (**Registration Deadline**). The instrument appointing a proxy must be received latest by Monday, 27 April 2026 at 10.00 a.m. (Proxy Lodgement Deadline). **For Individual and Corporate Shareholders** (a) Login to https://investor.boardroomlimited.com. (b) Click 'Meeting Event(s)' and select the list of companies – '**PETRONAS GAS BERHAD 43RD ANNUAL GENERAL MEETING**' and click 'Enter'. (c) To attend the virtual AGM remotely: • Click '**Register for RPEV**'. • Read and accept the General Terms and Conditions and enter your CDS account no. to submit your request. (d) To appoint proxy: • Click '**Submit eProxy Form**'. • For Corporate Shareholder, select the company you would like to represent (if more than one). • Read and accept the General Terms and Conditions and enter your CDS account no. Thereafter, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate 'Discretionary'. **For Authorised Nominees and Exempt Authorised Nominees** (a) Login to https://investor.boardroomlimited.com. (b) Click 'Meeting Event(s)' and select the list of companies – '**PETRONAS GAS BERHAD 43RD ANNUAL GENERAL MEETING**' and click 'Enter'. (c) Click '**Submit eProxy Form**'. (d) Select the company you would like to represent (if more than one). (e) Proceed to download the file format for '**Submission of Proxy Form**'. (f) Prepare the file for appointment of proxy(ies) by inserting the required data. (g) Proceed to upload the duly completed Proxy Appointment file. (h) Review and confirm your proxy(ies) appointment(s) and click '**Submit**'. (i) Download or print the eProxy form as acknowledgement. For Corporate Shareholders, Authorised Nominees/ Exempt Authorised Nominees and Attorneys, you may also write to bsr.proxy@boardroomlimited.com and provide name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required.
Step (3)	Verification and email notification	For Individual Shareholders, Corporate Shareholders, Authorised Nominees/ Exempt Authorised Nominees and Attorneys: (a) An email notification will be sent by Boardroom to notify that your request for remote participation has been received for system verification. (b) Upon verification against the General Meeting Record of Depositors, you will receive an email from Boardroom after **Wednesday, 22 April 2026** either approving or rejecting your request for remote participation.

Procedures		Actions
On the day of the AGM		
Step (4)	Login	(a) Login to https://investor.boardroomlimited.com with your registered email address and password. (b) Meeting platform will be made available at any time from 9.00 a.m. i.e. one hour before the commencement of the 43rd AGM at 10.00 a.m. on Wednesday, 29 April 2026. (c) Click into 'Meeting Event(s)' and go to '**PETRONAS GAS BERHAD 43RD ANNUAL GENERAL MEETING**' and then click 'Join Live Meeting' to join the proceedings of the 43rd AGM remotely.
	Participate	(a) Please follow the user guides in BSIP to view the live webcast, submit questions and vote. (b) To view the live webcast, select the broadcast icon (c) To ask a question during the 43rd AGM, select the messaging icon (d) Type your question in the chat box and click the send button to submit.
	Vote	(a) Once voting has commenced, the polling icon will appear with the resolutions and voting choices until such time that the Chairman declares an end to the voting session. (b) To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received. (c) To change your vote, re-select your voting preference. (d) If you wish to cancel your vote, please press 'Cancel'.
	End	Upon declaration by the Chairman of the closure of the 43rd AGM, the live webcast will end.

Note to Users of the RPEV Facilities:

(i) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

(ii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Boardroom Helpdesk at +603 7890 4700 for assistance.

4. Appointment or Revocation of Proxy or Attorney

(i) Appointment of Proxy or Attorney

Shareholders who appoint proxy or attorney or authorised representative to participate via RPEV facilities at the 43rd AGM must ensure that the duly executed Proxy Form is deposited in a hard copy form or by electronic means to Boardroom not later than Monday, 27 April 2026 at 10.00 a.m.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(a) In Hard Copy Form

The Proxy Form or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at Poll Administrator's office, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(b) By Electronic Form

The Proxy Form can be electronically submitted via BSIP at https://investor.boardroomlimited.com or via email to bsr.proxy@boardroomlimited.com.

Kindly refer to the Procedures under item 3(ii)(b) (Step 2) above for submission via BSIP.

Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

Administrative Guide For the 43rd Annual General Meeting (43rd AGM) of PETRONAS Gas Berhad

(ii) Revocation of Proxy or Attorney

If a shareholder has submitted his/her Proxy Form prior to the 43rd AGM and subsequently decides to appoint another person or wishes to participate in the hybrid AGM by himself/herself, please revoke the appointment of proxy/proxies **at least forty-eight (48) hours** before the 43rd AGM. Please find the steps below for revocation on eProxy form or physical Proxy Form:

eProxy Form

- Click 'Meeting Event(s)' and select the list of companies – '**PETRONAS GAS BERHAD 43RD ANNUAL GENERAL MEETING**' from the list of companies and click '**Enter**'.
- Go to '**PROXY**' and click on '**Submit Another eProxy Form**'.
- Go to '**Submitted eProxy Form List**' and click '**View**' for the eProxy form.
- Click '**Cancel/Revoke**' at the bottom of the eProxy form.
- Click '**Proceed**' to confirm.

Physical Proxy Form

Please write in to bsr.proxy@boardroomlimited.com to revoke the appointment of proxy/proxies.

Upon revocation, proxy/proxies appointed earlier will not be allowed to participate at the 43rd AGM. In such event, shareholders should advise their proxy/proxies accordingly.

(iii) Corporate Representative

For a corporate shareholder who has appointed a representative, please deposit the **ORIGINAL** Certificate of Appointment at the Poll Administrator's office, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia at any time before the time appointed for holding the 43rd AGM or to the registration staff on the day of the 43rd AGM.

5. Poll Voting

The voting at the 43rd AGM will be conducted by poll in accordance with Paragraph 8.29A of the MMLR of Bursa Securities.

The Company has appointed Boardroom as Poll Administrator to conduct the poll by way of electronic voting and Scrutineer Solutions Sdn Bhd as Independent Scrutineer to verify the poll results.

Shareholders/ proxies/ corporate representatives/ attorneys may proceed to vote on the resolutions from the commencement of the 43rd AGM at 10.00 a.m. on Wednesday, 29 April 2026 (for both Physical and Virtual Attendance) until the end of the voting session which will be announced by the Chairman. Upon completion of the voting session, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

All physical attendees are advised to bring their own personal devices in order to vote. For virtual attendees, please refer to item 3(ii)(b) (Step 4) for voting procedures.

The resolutions proposed at the 43rd AGM and the results of the voting will be announced at the 43rd AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

6. Submission of Questions For the 43rd AGM

(i) Prior to the meeting

Shareholders may submit questions in relation to the agenda items for the 43rd AGM via BSIP at https://investor.boardroomlimited.com **not later than Monday, 27 April 2026 at 10.00 a.m**. Click 'Submit Questions' after selecting '**PETRONAS GAS BERHAD 43RD ANNUAL GENERAL MEETING**' from 'Meeting Event(s)'.

Alternatively, you may also send your questions for the 43rd AGM to Investor Relations at ir.petronasgas@petronas.com.

(ii) During the meeting

Physical Attendance	Virtual Attendance
Shareholders will be able to ask questions in person at the Meeting Venue.	During the 43rd AGM live streaming, Shareholders may also pose questions via real time submission of typed texts by selecting messaging during live. The Messaging window facility will be opened concurrently with the Meeting Platform at 9.00 a.m. on Wednesday, 29 April 2026 (i.e. one hour before the 43rd AGM). The Board of Directors and Senior Management will endeavour to address all questions received in relation to the 43rd AGM.

Notes:
The Questions and Answers (Q&A) session and the Messaging window facility will remain open until such time that the Chairman announces the closure of the Q&A session.

7. No Recording or Photography

Recording or photography of the 43rd AGM is strictly prohibited without the prior written consent of the Company.

8. Integrated Report 2025 and Sustainability Report 2025

The Integrated Report 2025 (IR 2025) and Sustainability Report 2025 (SR 2025) are available at https://www.petronas.com/pgb and Bursa Malaysia's website at www.bursamalaysia.com under Company's Announcements.

Shareholders are encouraged to consider the environmental impact before requesting hard copies of the IR 2025 and SR 2025. Should a hard copy still be required, a printed copy may be requested at https://investor.boardroomlimited.com by selecting "Request for Annual Report" under the "Investor Services".

Please note that no hard copies of the IR 2025 and SR 2025 will be provided at the Meeting Venue.

9. Enquiry

If you have any enquiry prior to the 43rd AGM or require technical assistance to participate in the hybrid AGM, please contact the Poll Administrator during office hours from Monday to Friday (8.30 a.m. to 5.30 p.m.) except public holiday:

Boardroom Share Registrars Sdn. Bhd.

Tel No. : +603 – 7890 4700
Fax No. : +603 – 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

10. Privacy Notice

By registering for the RPEV and/or 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 43rd AGM or any adjournment thereof.

Glossary

Abbreviation	Meaning/Definition
4R	Recover, Recycle, Reuse and Reduce
ABC	Anti-Bribery and Corruption
ACRS	Ancillary Agreement for Regasification Service
AGM	Annual General Meeting
AI	Artificial Intelligence
ASU	Air Separation Unit
BAC	Board Audit Committee
BCM	Business Continuity Management
BCP	Business Continuity Plan
BEE	Board Effectiveness Evaluation
BSRC	Board Sustainability and Risk Committee
Bursa Malaysia	Bursa Malaysia Securities Berhad
CA 2016	Companies Act 2016
CAPEX	Capital Expenditure
CCUS BILL	Carbon Capture, Utilisation and Storage Bill
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
COSO	Certified Internal Control Integrated Framework
CRA	Corruption Risk Assessment
D&O	Directors' and Officers' Liability Insurance
ERP	Enterprise Risk Profile
ERR	Enterprise Risk Report
ESG	Environmental, Social and Governance
FID	Final Investment Decision
FWSA	Fire Water Services Agreement
FY	Financial Year
G5dot5	PGB Strategic Agenda
GHG	Greenhouse Gas
GP	Gas Processing
GPA	Gas Processing Agreement
GPK	Gas Processing Kertih
GPS	Gas Processing Santong
GT	Gas Transportation
HSE	Health, Safety and Environment
HSSE	Health, Safety, Security and Environment
ICT	Information Communication Technology
IFRS	International Financial Reporting Standards
INEDs	Independent Non-Executive Directors
KPIs	Key Performance Indicators
KPMG	Klynveld Peat Marwick Goerdeler
KRAs	Key Result Areas
LNG	Liquefied Natural Gas

Abbreviation	Meaning/Definition
LOA	Limits of Authority
LOPC	Loss of Primary Containment
LT	Leadership Team
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
NCCP	National Climate Change Policy
NEP	National Energy Policy
NETR	National Energy Transition Roadmap
NINEDs	Non-Independent Non-Executive Directors
NRC	Nomination and Remuneration Committee
NSRF	National Sustainability Reporting Framework
NZCE	Net Zero Carbon Emissions
OEE	Overall Equipment Effectiveness
OTOBOS	On Time On Budget On Scope
O&M	Operations and Maintenance
PCPP	PETRONAS Corporate Privacy Policy
PDR	Product Delivery Reliability
PETRONAS	Petroliam Nasional Berhad
PGB	PETRONAS Gas Berhad
PGB IA	PETRONAS Gas Berhad Internal Audit
PLNG2	Pengerang LNG (Two) Sdn. Bhd.
PPM	PETRONAS Penapisan Melaka Sdn. Bhd.
PTSSB	PETRONAS Technical Services Sdn. Bhd.
RGTP	Regasification Terminal Pengerang
RGTSU	Regasification Terminal Sungai Udang
RMD	Risk Management Department
RP2	Regulatory Period 2
RP3	Regulatory Period 3
RPEV	Remote Participation and Electronic Voting
RPTs	Related Party Transactions
RRPTs	Recurrent Related Party Transactions
SID	Senior Independent Director
SORMIC	Statement on Risk Management and Internal Control
SRC	Sustainability and Risk Committee
SUP	Sg. Udang Port Sdn. Bhd.
T&E	Testing & Exercising
TOR	Terms of Reference
TPRM	Third-Party Risk Management
TTM	Trans Thai-Malaysia
TTM-M	Trans Thai-Malaysia (M) Sdn. Bhd.
UG	Utilities Gebeng
UK	Utilities Kertih
UN SDGs	United Nations Sustainable Development Goals
WBP	Whistleblowing Policy

Bursa Malaysia CSI Platform Table

PETRONAS Gas Berhad
IFRS S2

Date & Time: 2026-03-05_11:26:39

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate Change Management	Scope 1	tCO2e	5,475,205.02	No target		
Climate Change Management	Scope 2	tCO2e	73,304.74	No target		
Climate Change Management	Scope 3	tCO2e	Not Available	No target		Due to reliance on data from the value chain, the disclosure of Scope 3 emissions will shift by one reporting cycle to allow companies within the value chain to disclose their information prior to its use in our Scope 3 calculations.
Climate Change Management	GHG Intensity - GP	tCO2e/tonne	0.210	No target		
Climate Change Management	GHG Intensity - UT	tCO2e/MWh	0.228	No target		
Climate Change Management	GHG Intensity - GTR	tCO2e/tonne	0.027	No target		
Climate Change Management	Scope 1 Breakdown by GHG Type - CO2	tonnes	5,233,335.84	No target		
Climate Change Management	Scope 1 Breakdown by GHG Type - CH4	tonnes	11,745.31	No target		
Climate Change Management	Scope 1 Breakdown by GHG Type - N2O	tonnes	72.29	No target		
Climate Change Management	GHG Emissions Reduction	tCO2e	175,778.15	120,000.00		

This page is intentionally left blank.

PETRONAS Gas Berhad
Registration No. 198301006447 (101671-H)

Proxy Form
for the 43rd 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**	
NRIC/Passport No.		**No. of Shares**	**%**
Address			

and / or (delete as appropriate)

Full Name (in Block Letters)		**Proportion of Shareholdings**	
NRIC/Passport No.		**No. of Shares**	**%**
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 43rd Annual General Meeting (43rd AGM) of the Company which will be held at the Grand Ballroom, Basement II, Shangri-La Kuala Lumpur, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia (Main Venue) and virtually through live streaming and online participation via the online meeting platform at https://investor.boardroomlimited.com (Online Platform) on **Wednesday, 29 April 2026 at 10.00 a.m.** and at any adjournment thereof on the following resolutions referred to in the Notice of the 43rd AGM. My/our proxy is to vote as indicated below:

No.	Resolutions	For	Against
1.	Re-election of Abdul Aziz Othman as Director		
2.	Re-election of Datuk Dr. Yatimah Sarjiman as Director		
3.	Re-election of Lim Li Ping as Director		
4.	Re-election of Yusa' Hassan as Director		
5.	Re-election of Izwan Ismail as Director		
6.	Directors' Fees and Allowances payable to the Non-Executive Directors of up to an amount of RM3 million with effect from 30 April 2026 until the next AGM of the Company.		
7.	Re-appointment of KPMG PLT as Auditors of the Company		

Note:
1. Please refer to the Notice of 43rd AGM for full details of the proposed Resolutions.
2. Please indicate with an "X" in the spaces above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Date : _____ 2026

_____
Signature/Common Seal of Shareholder(s)

NOTES:

1. The 43rd AGM of the Company will be held on a hybrid mode whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) will have an option, either:
   (a) To attend physically in person at the Main Venue; OR
   (b) To attend virtually through live streaming and online participation via the online meeting platform at https://investor.boardroomlimited.com.
2. A member of the Company who is entitled to attend, participate, speak and vote at the meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. 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 participate 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.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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 accounts.
5. 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.
6. 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.
7. The proxy form(s) and/or documents relating to the appointment of a proxy shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting in accordance with the Company's Constitution:
   (a) In hard copy form:
   Boardroom Share Registrars Sdn. Bhd. (Boardroom), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan

   OR

   (b) By electronic means
   The proxy form can be electronically submitted to Boardroom through Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com or via email to bsr.proxy@boardroomlimited.com. Kindly refer to the Administrative Guide for the 43rd AGM on the procedures for electronic lodgement of proxy form via BSIP.
8. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
9. Last date and time for lodging the proxy form is on **Monday, 27 April 2026 at 10.00 a.m.**
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item (7)(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.
11. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with Boardroom at the address stated under item (7)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:
    (a) 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.
    (b) 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.
12. 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 43rd AGM or any adjournment thereof.

Fold Here

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor, Malaysia

AFFIX STAMP HERE

Fold Here

We **utilised FSC-certified paper, X-Per Premium White paper** and **eco-friendly ink** for all our reports.

We **maintained standard A4 size** to minimise paper usage and waste.

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C104284

PETRONAS

PETRONAS GAS BERHAD
198301006447 (101671-H)

www.petronas.com/pgb