

PETRONAS GAS BERHAD
198301006447 (101671-H)



PETRONAS



CATALYSING GROWTH
SHAPING TOMORROW

INTEGRATED REPORT 2024

ABOUT THIS REPORT

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

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

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



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



INTEGRATED REPORTING APPROACH

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

REGULATIONS COMPLIED

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

SCOPE AND BOUNDARY OF REPORTING

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

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

RESTATEMENT OF INFORMATION

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

OUR GOVERNANCE & SUSTAINABILITY APPROACH

Our Ability to Create and Protect Value

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

 Read more about sustainability in our Sustainability Report.

APPROVAL BY THE BOARD

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

DATUK ADIF ZULKIFLI
Chairman

ABDUL AZIZ OTHMAN
Managing Director/Chief Executive Officer

OUR SIX CAPITALS

F	N	A	I	H	SR
Financial 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.	Nature 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.	Asset 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.	Intellectual Organisational, knowledge-based intangibles, including but not limited to intellectual property, such as patents, copyrights, software, rights, and licences.	Human People's competencies, capabilities, experiences, and motivations to innovate in alignment with an organisation's strategy.	Social and Relationship The relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being.

NAVIGATION ICONS



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



This icon tells you where you can find more information on Sustainability Report.



This icon tells you where you can find more information online.

Key Stakeholder Groups



Investors and Funding Institutions



Business Partners



Employees and Unions



Communities



Customers



Suppliers and Vendors



Government Agencies and Authorities



Media

Our Strategic Thrusts



Operational Excellence



Commercial Excellence



Growth



People, Systems and Culture

Material Matters



Sustainable Value Creation



Mitigating Climate Change



Environmental Management



Ensuring Water Security



Biodiversity Impacts



Occupational Safety and Health



Talent Management



Human Rights



Supplier Social Impacts



Equal Opportunity, Diversity and Inclusion



Community Engagement



Business Ethics and Transparency



Cybersecurity and Data Privacy

Time Horizons for Value Creation

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

Short-term (1-5 years):

Focuses on immediate operational goals, regulatory compliance, and market responsiveness.

Medium-term (5-15 years):

Encompasses business growth strategies, infrastructure development, and key investment milestones.

Long-term (>15 years):

Aligns with sustainability commitments, industry transformation, and long-term stakeholder value creation.

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



INTEGRATED REPORT

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



SUSTAINABILITY REPORT

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

INSIDE THIS REPORT

42ND

ANNUAL GENERAL MEETING OF PETRONAS GAS BERHAD

Date:
Wednesday,
10.00 a.m.
23 April 2025


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

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


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




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



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



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



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

PETRONAS GAS BERHAD AT A GLANCE

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2024 KEY HIGHLIGHTS

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

FINANCIAL HIGHLIGHTS



Revenue

RM6.5
billion

2023: RM6.4 billion



Profit After Tax

RM1.9
billion

2023: RM1.9 billion



EBITDA

RM3.4
billion

2023: RM3.3 billion



Dividend Declared

72.0
sen per share

2023: 72.0 sen per share



Total Assets

RM18.8
billion

2023: RM19.3 billion



Market Capitalisation

RM35.0
billion

2023: RM34.4 billion



Earnings Per Share

92.8
sen per share

2023: 92.0 sen per share



Total Equity

RM14.2
million

2023: RM 13.8 million



Closing Share Price

RM17.68

2023: RM17.40

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

2024 KEY HIGHLIGHTS

BUSINESS HIGHLIGHTS

Operational Excellence

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



Health, Safety, Security, and Environment (HSSE)

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



Strategic Growth

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



Advancing Digital Technologies

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



Building Capabilities and Culture

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



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

2024 KEY HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

SAFEGUARD THE ENVIRONMENT

Greenhouse Gas (GHG) Emissions

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



Waste Management

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



Water Management

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



POSITIVE SOCIAL IMPACT

Powering Knowledge

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



Uplifting Lives

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



Planting Tomorrow

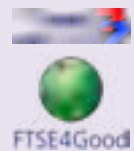
- Planted **980 mangrove trees** in Kuala Selangor with **78** volunteers
- Collaboration with the Department of Environment Terengganu to **drive environmental awareness** through Hari Alam Sekitar Negara
- Collaboration with Pasir Gudang City Council to **promote mangrove conservation** through Mangrove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



RESPONSIBLE GOVERNANCE

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

FTSE4Good Rating



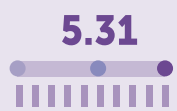
The Edge Malaysia ESG Awards 2024



Reporting Awards



Bloomberg ESG Score



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

2024 KEY HIGHLIGHTS

AWARDS & RECOGNITION

Addressed full TCFD

recommendations a year ahead of Bursa Malaysia’s timeline, preparing for International Sustainability Standards Board adoption.

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

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

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

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

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

Gas Processing

National Council for Occupational Safety and Health Award 2024

- Warehouse Management Category - Tanjung Sulong Export Terminal

Regasification

MSOSH Awards 2024

- Third Consecutive Grand Award - Regasification Terminal Sungai Udang and Regasification Terminal Pengerang (RGTP)

British Safety Council Award 2024

- Health and Safety Transformation Award - RGTP

RoSPA Health and Safety Award 2024

- Silver Award - RGTP

Gas Transportation

MSOSH Awards 2024

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

British Safety Council Award 2024

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

RoSPA Health and Safety Award 2024

- Gold Award - Kuantan Regional Office

Asian Experience Awards 2024

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



WHO WE ARE

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

STATEMENT OF PURPOSE

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

SHARED VALUES

-  Loyalty
-  Professionalism
-  Integrity
-  Cohesiveness

HOW WE DIFFERENTIATE OURSELVES

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



CULTURAL BELIEFS



Customer Focused
I deliver solutions from the customer lens



Innovate Now
I challenge norms and push boundaries



Be Enterprising
I seek opportunities and make them happen



Speak Up
I express my views openly



Courage to Act
I take action to progress with pace

WHO WE ARE Corporate Structure

PETRONAS GAS BERHAD

SUBSIDIARY

REGAS TERMINAL (SG. UDANG) SDN. BHD.

PGB 100%

PG GAS PROCESSING SDN. BHD.

PGB 100%

PG ENERGIA SDN. BHD.

PGB 100%

PG TRANSCO SDN. BHD.

PGB 100%

PG LINKARANFIBRE SDN. BHD.

PG Energia Sdn. Bhd. 100%

RANCHA POWER SDN. BHD.

PG Energia Sdn. Bhd. 100%

PG UTILITIES EAST SDN. BHD.

PG Energia Sdn. Bhd. 100%

REGAS TERMINAL (PENGERANG) SDN. BHD.

PGB 72.22%

Dialog Equity (Three) Sdn. Bhd. 27.78%

PENGERANG LNG (TWO) SDN. BHD.

PGB 65%

Dialog LNG Sdn. Bhd. 25%

Permodalan Darul Ta'zim Sdn. Bhd. 10%

SIPITANG UTILITIES SDN. BHD.

PGB 90%

KAB Energy Holdings Sdn. Bhd. 10%

JOINT VENTURE

KIMANIS POWER SDN. BHD.*

PGB 60%

NRG Consortium (Sabah) Sdn. Bhd. 40%

KIMANIS POWER (DUA) SDN. BHD.*

PG Energia Sdn. Bhd. 60%

NRG Consortium (Sabah) Sdn. Bhd. 40%

KIMANIS O&M SDN. BHD.*

PGB 60%

NRG Consortium (Sabah) Sdn. Bhd. 40%

PENGERANG GAS SOLUTIONS SDN. BHD.*

PGB 51%

Linde Malaysia Sdn. Bhd. 49%

INDUSTRIAL GASES SOLUTIONS SDN. BHD.

PGB 50%

Linde Malaysia Sdn. Bhd. 50%

ASSOCIATE

GAS MALAYSIA BERHAD

Public Shareholders 35.77%

Anglo-Oriental (Annuities) Sdn. Bhd. 30.93%

Tokyo Gas-Mitsui & Co Holdings Sdn. Bhd. 18.50%

PGB 14.80%

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

WHERE WE OPERATE

Our Presence

OVERVIEW

2

Gas Processing Complexes



4

Utilities Complexes



2

Liquefied Natural Gas (LNG)
Regasification Terminals



2,675 KM

Overall Pipeline Length



1,750 MMSCFD

Total Gas Processing Capacity



990 MMSCFD

Total LNG Regasification Capacity



UTILITIES PRODUCT CAPACITIES

541

Electricity (MW)



1,080

Steam (t/h)



73,000

Oxygen (Nm³/h)



100,240

Nitrogen (Nm³/h)



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

WHERE WE OPERATE Our Presence

Legends

- Gas Processing Plant
- Compressor Station
- Utilities Plant
- Industry
- Gas Power Plant
- Kimanis Power Plant
- Tanjong Sulong Export Terminal (TSET)
- Offshore LNG Regasification Terminal
- Onshore LNG Regasification Terminal
- Air Separation Unit
- O&M Services



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

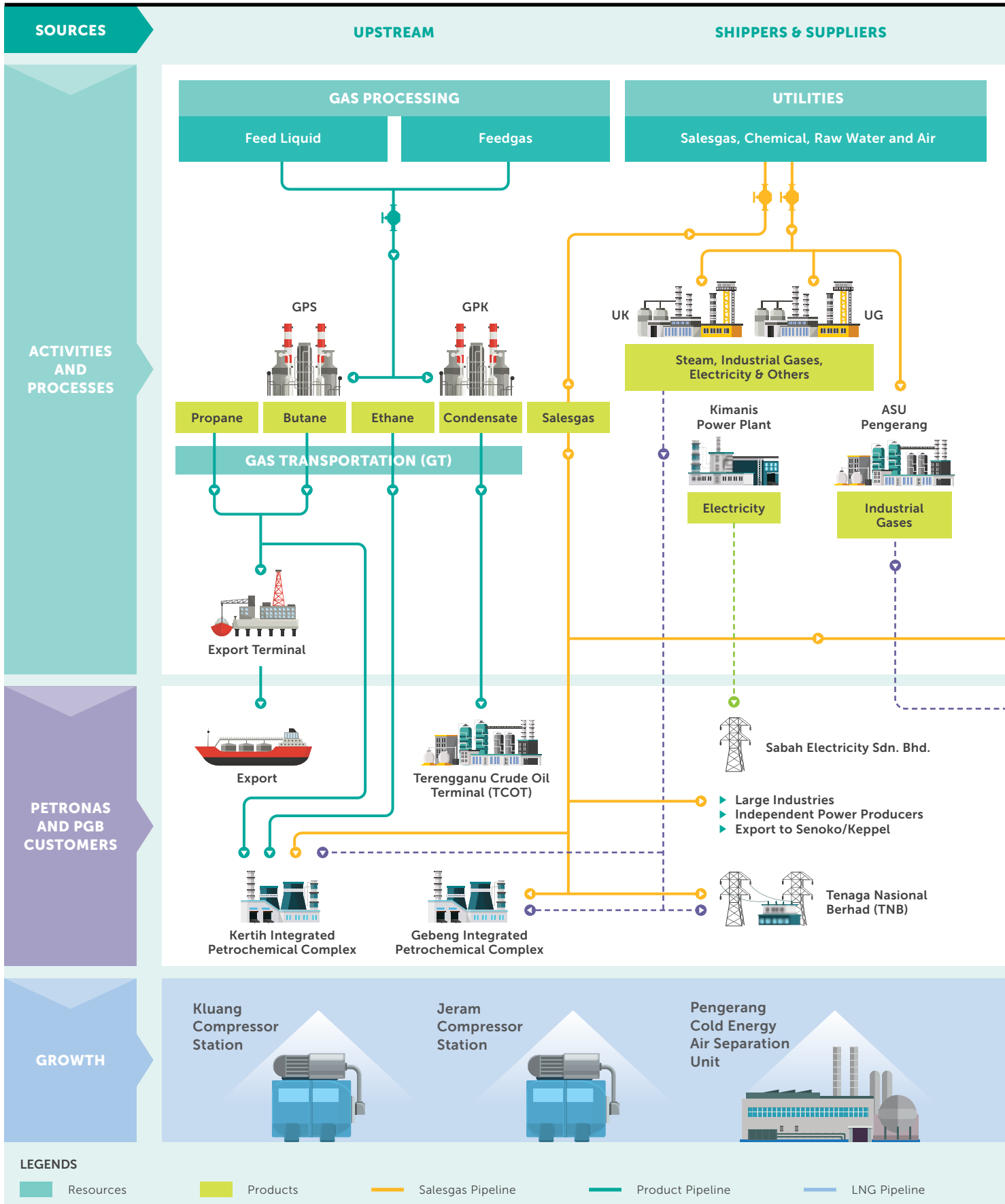
PRODUCT CAPACITY				
COMPLEX	ELECTRICITY (MW)	STEAM (T/H)	OXYGEN (NM ³ /H)	NITROGEN (NM ³ /H)
Utilities Kertih (UK)	160	600	32,000	69,500
Utilities Gebeng (UG)	96	480	-	8,240
Kimanis Power Plant	285	-	-	-
Air Separation Unit (ASU) Pengerang	-	-	41,000	22,500
Total	541	1,080	73,000	100,240

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

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

WHERE WE OPERATE

Our Group Business Activities and Processes

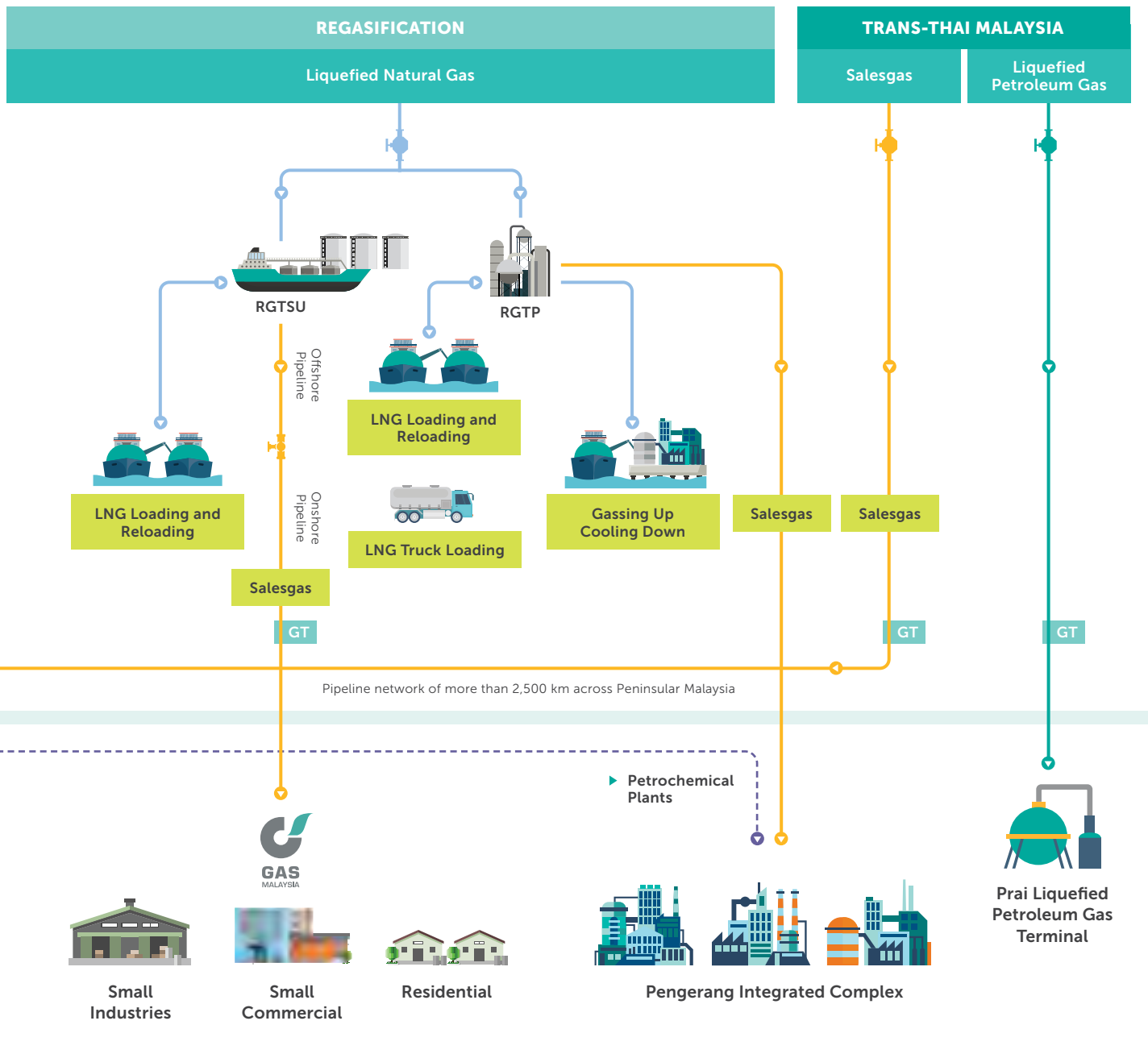


WHERE WE OPERATE

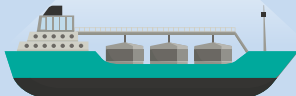
Our Group Business Activities and Processes

SHIPPERS & IMPORTERS

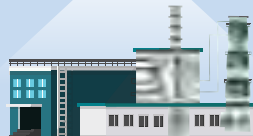
MALAYSIA - THAILAND JOINT DEVELOPMENT AREA



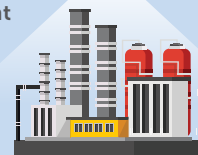
Pengerang Floating LNG Storage



Sipitang Power Plant



Additional 100 MW Kimanis Power Plant

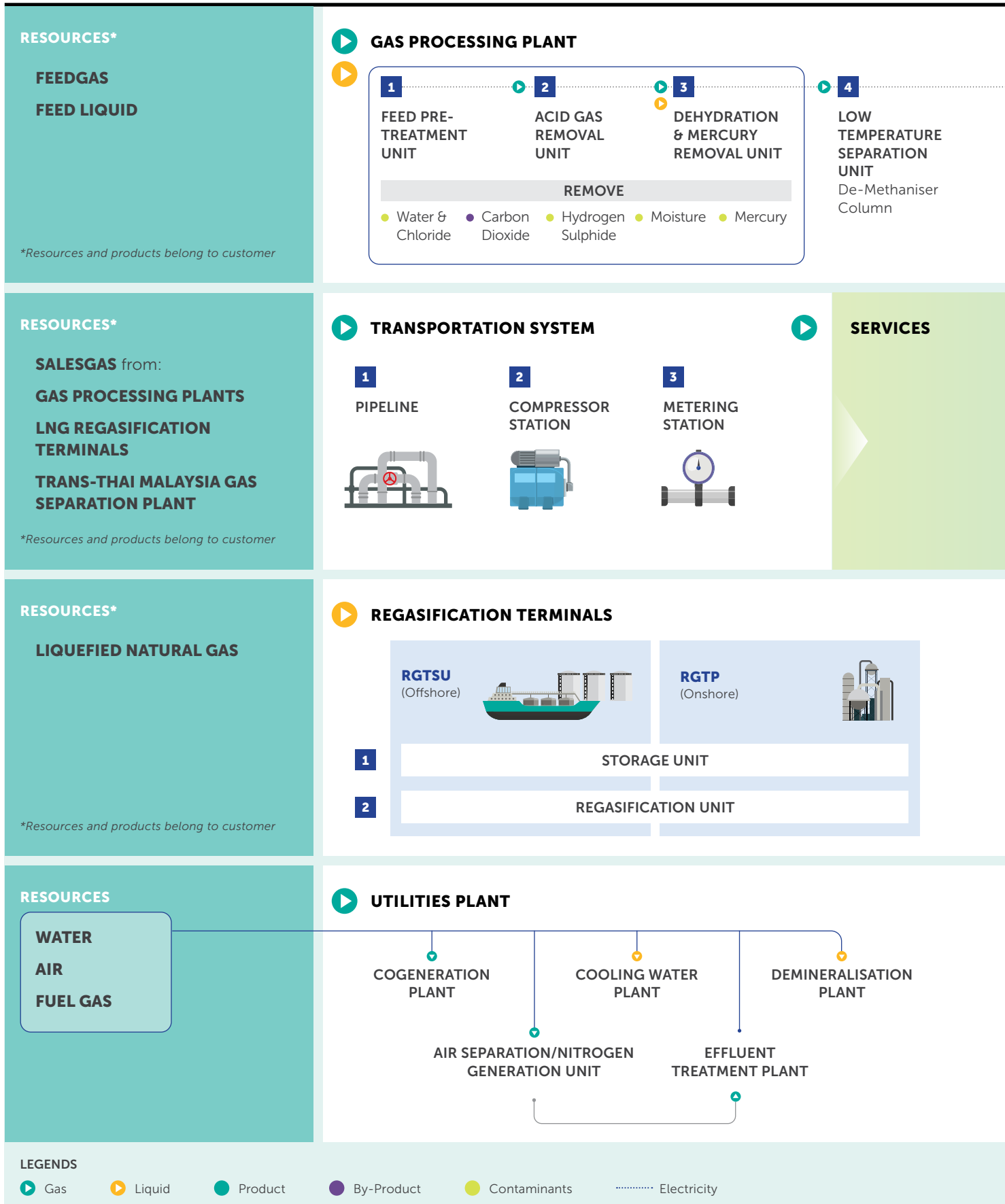


--- UT Delivery to Customers

--- Electricity Transmission Grid

WHERE WE OPERATE

Our Group Business Activities and Processes



WHERE WE OPERATE

Our Group Business Activities and Processes

5

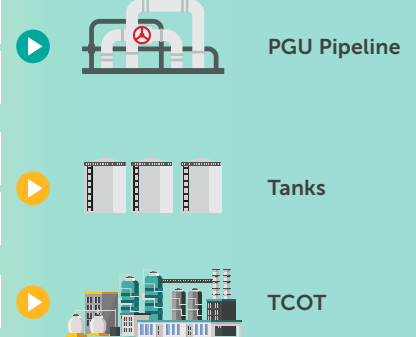
PRODUCT RECOVERY UNIT

De-Ethaniser Column
De-Propaniser
De-Butaniser Column
Condensate Stripper



PRODUCTS

Salesgas	●
Ethane	●
Propane	●
Butane	●
Stabilised Condensate	●



Salesgas Delivered to Customer

POWER



Tenaga Nasional Berhad



Independent Power Producers



Export (Senoko/Keppel)

NON-POWER



Gas Malaysia Berhad



Petrochemical Plants



Large Industries

Ethane, Propane & Butane Delivered to Customer



Petrochemical Plants



Large Industries



Export



PRODUCTS

Salesgas ●



PGU Pipeline



Pengerang Integrated Complex

SERVICES

RGTSU



LNG Loading and LNG Reloading



LNG Truck Loading

RGTP



LNG Loading and LNG Reloading



Gassing Up Cooling Down



PRODUCTS

Electricity ●



TNB

Electricity ●
LP Steam ●
IP Steam ●
HP Steam ●
HHP Steam ●

Demineralised Water ●
Cooling Water ●



Petrochemical Plants

LP Nitrogen ●
HP Nitrogen ●
LP Oxygen ●
HP Oxygen ●

Liquid Nitrogen ●
Liquid Oxygen ●
Liquid Argon ●



Industries

SERVICES

Effluent Treatment

ACRONYMS

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

CHAIRMAN'S MESSAGE

LEADING STRATEGIC TRANSFORMATION IN A SHIFTING ENERGY LANDSCAPE

DATUK ADIF ZULKIFLI

Chairman

DEAR VALUED SHAREHOLDERS,



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

SUSTAINING EXCELLENCE AMIDST ECONOMIC UNCERTAINTIES

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

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

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

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

CHAIRMAN'S MESSAGE



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

DRIVING POLICY ALIGNMENT TO LEAD THE ENERGY TRANSITION

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

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

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

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



Utilities Kertih

CHAIRMAN'S MESSAGE



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

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

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

EMPOWERING GOVERNANCE TO SPEARHEAD TRANSFORMATION

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

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

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

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


RECOGNITION OF OUR EXCELLENCE IN PERFORMANCE AND SUSTAINABILITY

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

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

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



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

MAINTAINING HEALTHY DIVIDENDS FOR SHAREHOLDERS

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

CHAIRMAN'S MESSAGE

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

SPEARHEADING PROGRESS TOWARDS A SUSTAINABLE ENERGY FUTURE

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

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

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

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

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

ACKNOWLEDGEMENTS

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

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

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

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

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

DATUK ADIF ZULKIFLI
Chairman

**MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER'S REVIEW**

**SUSTAINABLY
GROWING AND
EVOLVING
AS WE MAINTAIN
STABILITY THROUGH
OPERATIONAL
EXCELLENCE**

ABDUL AZIZ OTHMAN

Managing Director/Chief Executive Officer

DEAR VALUED SHAREHOLDERS,



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



MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

UPHOLDING EXCELLENCE AS THE FOUNDATION OF VALUE CREATION

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



OPERATIONAL EXCELLENCE

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

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

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

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

PROJECT EXCELLENCE

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

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

COMMERCIAL EXCELLENCE

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

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

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

UNLOCKING NEW GROWTH OPPORTUNITIES

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

FUELLING STRATEGIC GROWTH AMIDST THE ENERGY TRANSITION

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

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

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

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

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

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



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


MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

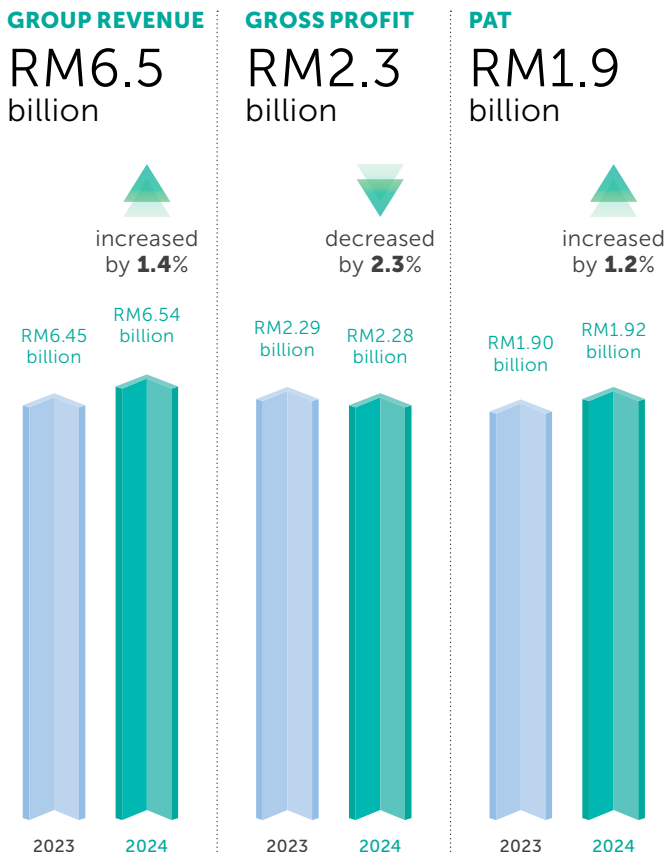
DELIVERING A STRONG FINANCIAL PERFORMANCE

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

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

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

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



FOSTERING THE RIGHT CULTURE TO DRIVE GROWTH AND EXCELLENCE

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

Health and Safety

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

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

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

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

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

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

Talent and Culture Development

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

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

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

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





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

HARNESSING DIGITAL TRANSFORMATION TO DRIVE EFFICIENCY AND GROWTH

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

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

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

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



Gas Processing Santong

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW



Gas Processing Kertih

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

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

ELEVATING CLIMATE ACTION AND SUSTAINABILITY

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

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

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

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

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

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW

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

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

Three key focus areas on social impact initiatives:

- Powering Knowledge
- Uplifting Lives
- Planting Tomorrow

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

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

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



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

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

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

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

MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S REVIEW



Gas Processing Kertih

POSITIONING FOR GROWTH AND RESILIENCE

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

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

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

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

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

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

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

ABDUL AZIZ OTHMAN

Managing Director/Chief Executive Officer

CHIEF FINANCIAL OFFICER'S REVIEW

PRESERVING ROBUST FINANCIAL RESILIENCE IN A DYNAMIC ENERGY SECTOR

SHHRUL AZHAM SUKAIMAN
Chief Financial Officer

DEAR VALUED SHAREHOLDERS,



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



CHIEF FINANCIAL OFFICER'S REVIEW

UPHOLDING RESILIENT FINANCIAL RESULTS

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

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

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

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

ADEPTLY NAVIGATING MARKET FORCES

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

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

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

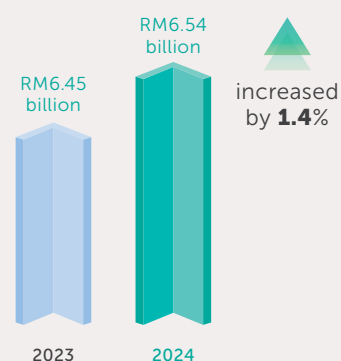
This environment has underscored the importance of optimising fuel gas utilisation, prompting us to adopt advanced technologies and digitalisation to enhance efficiency. For example, our Utilities segment leverages Artificial Intelligence (AI) predictive modelling to optimise internal gas consumption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

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

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

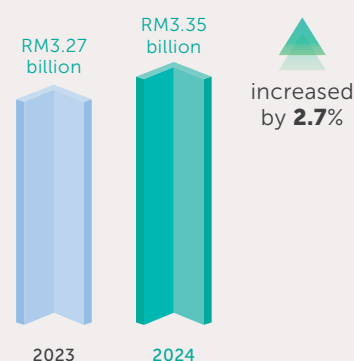
GROUP REVENUE

RM6.5 billion



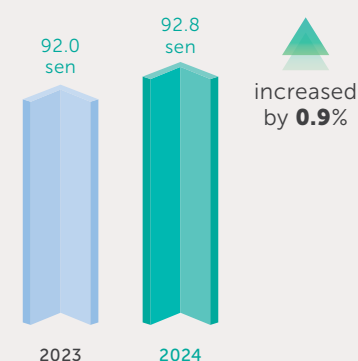
EBITDA

RM3.4 billion



EARNINGS PER SHARE

92.8 sen



CHIEF FINANCIAL OFFICER'S REVIEW

SEGMENTAL PERFORMANCE AND OUTLOOK

GAS TRANSPORTATION SEGMENT
Revenue ▶ RM1,199.6 million
GAS PROCESSING SEGMENT
Revenue ▶ RM1,872.5 million
REGASIFICATION SEGMENT
Revenue ▶ RM1,355.2 million
UTILITIES SEGMENT
Revenue ▶ RM2,110.9 million

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

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

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

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

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

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

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

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

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

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

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

CHIEF FINANCIAL OFFICER'S REVIEW

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

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

PRESERVING ROBUST FINANCIAL HEALTH

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

Cost Optimisation

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

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

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

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

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

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



Utilities Kertih

CHIEF FINANCIAL OFFICER'S REVIEW



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

Optimising Capital and Cash Management

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

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

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

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

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

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

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

PROACTIVELY MANAGING OUR FINANCIAL RISKS

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



Regasification Terminal Sungai Udang Melaka

CHIEF FINANCIAL OFFICER'S REVIEW

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

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

Market Risks

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

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

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

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

Credit Risk

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

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



Gas Processing Santong

Liquidity Risk

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

RESPONDING TO THE SUSTAINABILITY AND CLIMATE ACTION LANDSCAPE

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

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

CHIEF FINANCIAL OFFICER'S REVIEW



Tanjung Sulong Export Terminal

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

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

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

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

MOVING FORWARD

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

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

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

SHAHRUL AZHAM SUKAIMAN
Chief Financial Officer

OUR OPERATING ENVIRONMENT

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

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

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



INSIGHTS

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

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

IMPACT

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

HOW WE RESPOND

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

OUTLOOK

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

OUR OPERATING ENVIRONMENT



SUSTAINABILITY REGULATIONS AND DISCLOSURE

INSIGHTS

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

IMPACT

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

HOW WE RESPOND

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

OUTLOOK

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



OUR OPERATING ENVIRONMENT



FOREX CURRENCY EXPOSURE

INSIGHTS

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

IMPACT


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

HOW WE RESPOND

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

OUTLOOK

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

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



ENGAGING OUR STAKEHOLDERS

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



WHY WE ENGAGE

WHAT WE OFFER

INVESTORS AND FUNDING INSTITUTIONS

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

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

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

CUSTOMERS

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

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

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

BUSINESS PARTNERS, SUPPLIERS AND VENDORS

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

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

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

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








Channels and Frequency

ENGAGING OUR STAKEHOLDERS





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

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

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

KEY CONCERNS	OUR RESPONSE
<ul style="list-style-type: none"> Progress on growth initiatives Sustainability practices and disclosures Consistency of shareholder returns Shift in focus from oil and gas sectors due to environmental concerns 	<ul style="list-style-type: none"> Clear disclosures on strategies and growth initiatives Quarterly results announcements and analyst briefings Consistent stakeholder engagement Prompt response to shareholder queries Highlighting efforts in reports, presentations, and website
<p> Website (for analyst briefings only)  Site visits  Investor conferences and roadshows  Annual General Meeting</p> <ul style="list-style-type: none"> Delivery of high-quality products and services in a timely manner Competitive product offerings 	<ul style="list-style-type: none"> Strengthened integration across the value chain to enhance reliability and ensure Product Delivery Reliability (PDR) Expanded customer-focused solutions for both product offerings and pricing Boosted customer interactions through increased engagements and visits Enhanced marketing efforts and outreach initiatives
<p> Annual customer experience survey</p> <ul style="list-style-type: none"> ESG regulations and requirements from potential partners Vice versa, wherein we may require certain ESG compliance thresholds from potential partners Ensuring fair and seamless business transactions 	<ul style="list-style-type: none"> Established partner selection criteria to ensure strategic fit Utilising PETRONAS Group Procurement and Financial Services' policies and procedures for efficiency and transparency Strengthening engagements to maintain a reliable supply chain
<p> Strategic dialogues, conferences, forums and events</p>	<p> Contractor engagements and clinics</p>

ENGAGING OUR STAKEHOLDERS

	WHY WE ENGAGE	WHAT WE OFFER
EMPLOYEES AND UNIONS 	<ul style="list-style-type: none"> • Foster a positive ecosystem and encourage employees to contribute to business strategies and goals • Identify skill gaps to nurture future talent • Inspire collaboration among employees and management • Maintain strong relationships with union representatives to ensure industrial harmony 	<ul style="list-style-type: none"> • A supportive environment promoting sustainability and psychological safety • Opportunities for learning, development, and growth • Opportunities for meaningful contributions towards personal fulfilment and strategic business goals
	M Engagement with employees M Intranet and internet newsletters	
GOVERNMENT AGENCIES AND AUTHORITIES 	<ul style="list-style-type: none"> • Promote our support for government initiatives such as the NETR, NCCP 2.0 etc. • Serve as a partner in shaping the gas and power industry's direction in Malaysia 	<ul style="list-style-type: none"> • Extensive gas delivery network in Peninsular Malaysia • Lower-carbon natural gas power plant • Safe, efficient and reliable operations across all facilities • Upholding licenses in core regulated businesses such as pipeline and regasification terminals • Understanding of the latest requirements and regulations
	Q Engagement programmes Y Consultative sessions	
COMMUNITIES AND NON-GOVERNMENTAL ORGANISATION (NGO) 	<ul style="list-style-type: none"> • Enhance community understanding of PGB's business and operations • Maintain a positive corporate image 	<ul style="list-style-type: none"> • Education and social support • Environmental protection and biodiversity preservation
	M Regular employee engagements M Intranet and internet newsletters M Progress meetings	
MEDIA 	<ul style="list-style-type: none"> • Support their role as a key communication link between the business and stakeholders • Collaborate with Media to distribute vital information affecting corporate reputation and branding 	<ul style="list-style-type: none"> • Transparent sharing of information • Regular interaction with PGB spokespersons
	Q Press releases on quarterly performance Y Press releases on key business updates	

Channels and Frequency

ENGAGING OUR STAKEHOLDERS

KEY CONCERNS

- Employee physical and mental well-being
- Inclusive and conducive working environment
- Skill development and capability building
- Maintaining industrial harmony

OUR RESPONSE

- Structured programmes to address physical, mental and financial well-being
- Communication programmes to encourage diversity and inclusion
- Structured development programmes focusing on technical, functional, and leadership skills
- Collaboration with union representatives for seamless Human Resources policy to understand and conclude negotiation on collective agreement
- Employee engagement remains a priority, with 51 activities and programmes in 2024 to foster a conducive work environment and culture

Q Union engagements and activities

- Gas supply security and reliability
- Economic impacts on consumers
- Compliance with regulations and commitment to ESG standards
- Health and safety of operations and their surrounding impact
- Business practices that uphold integrity and ethics
- Timely public disclosures on sustainability such as TCFD, IFRS and TNFD

- Formal and informal engagements
- Joint emergency response exercises
- Familiarisation visits to PGB facilities
- Regular reporting to government agencies

- Health and safety of PGB operations and their impact on surrounding areas
- Need for education and social support
- Protection of the environment and biodiversity

- Implementation of social impact initiatives in education, community well-being, and environmental areas
- Programmes such as Powering Knowledge (education), Uplifting Lives (well-being), and Planting Tomorrow (environment)
- Sponsorships and donations
- Outreach activities to build favourable relationships with communities

A Email correspondence and texts Q Union engagements and activities

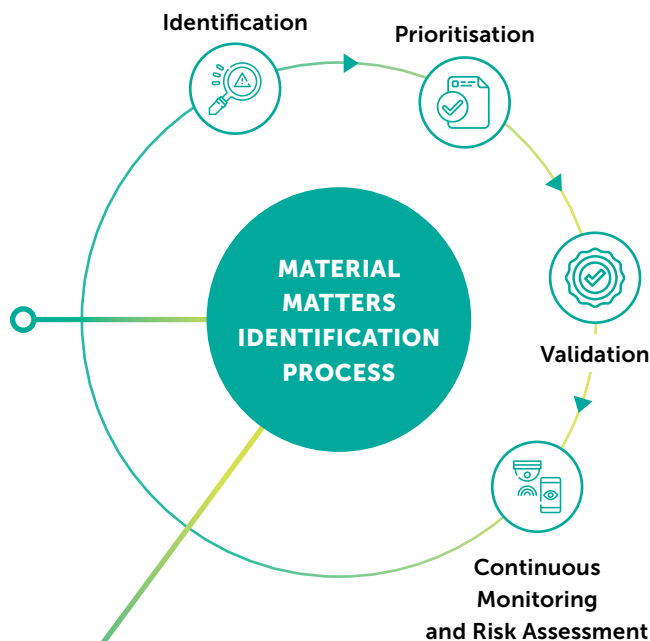
- Business performance
- Environmental management and sustainability efforts
- New innovation and technology advancements

- Foster open and transparent communication with Media
- Provide timely responses to Media inquiries on business developments
- Organise activities to share updates and maintain positive rapport

WHAT MATTERS TO US

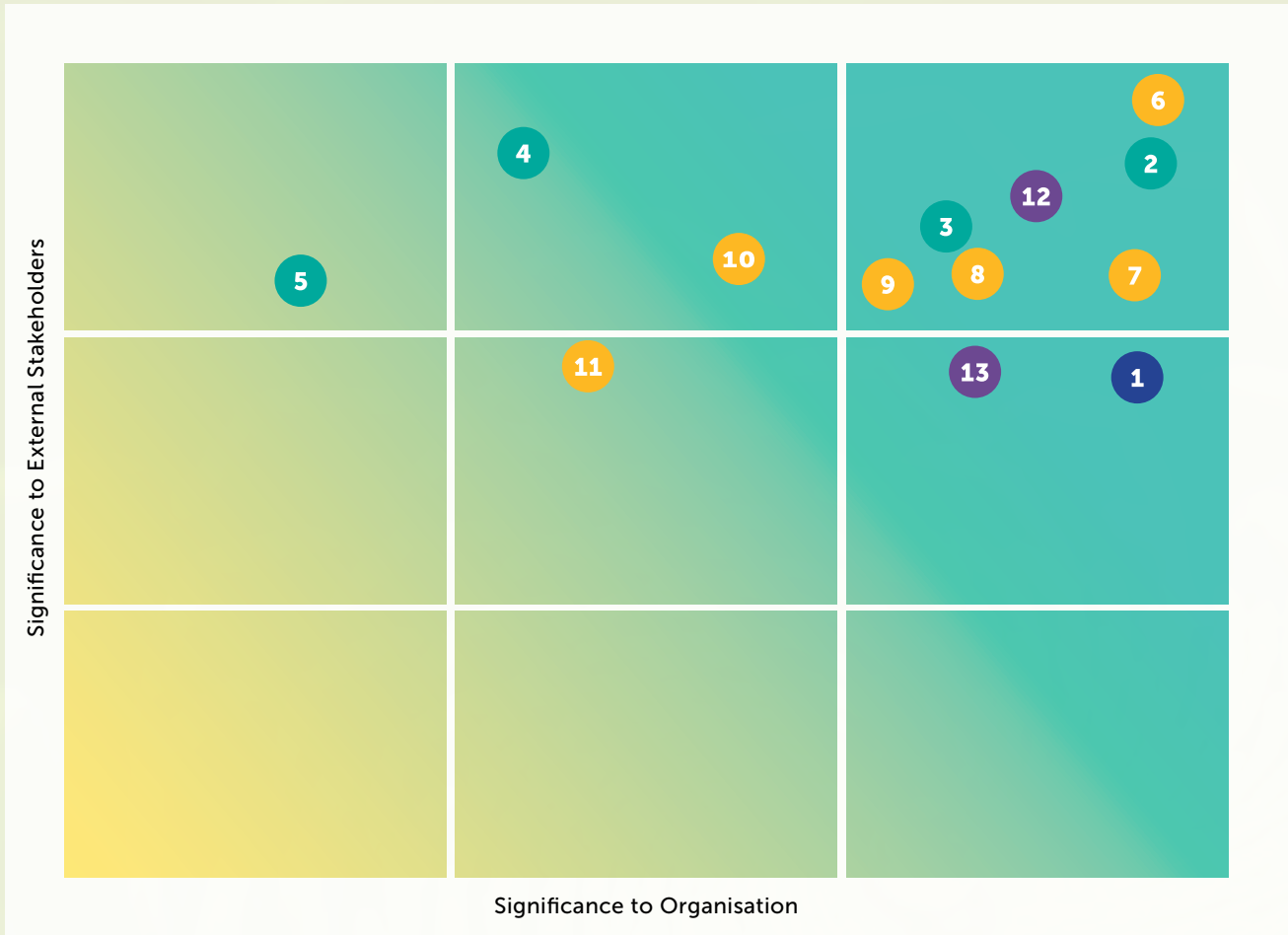
Our key sustainability matters significantly influence our ability to uphold operational and managerial excellence, drive impactful growth, and advance our ESG performance. These priorities are identified through regular materiality assessments conducted every two years. The findings are presented across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

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



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

WHAT MATTERS TO US



ECONOMIC

- 1 Sustainable Value Creation

ENVIRONMENT

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

SOCIAL

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









GOVERNANCE

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















WHAT MATTERS TO US

RISKS AND OPPORTUNITIES RELATED TO OUR MATERIAL MATTERS

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

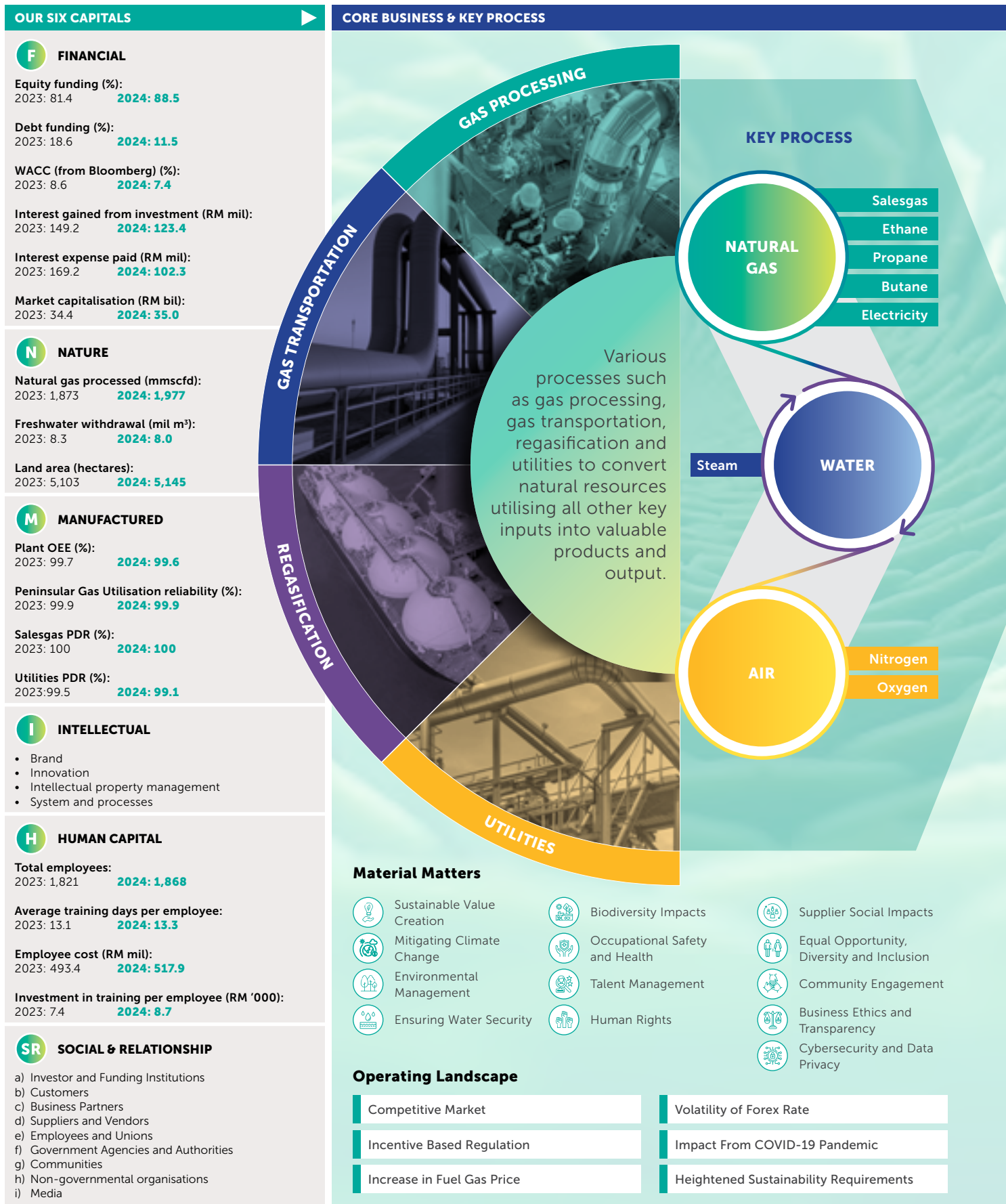
MATERIAL MATTERS	RISK DESCRIPTION	MITIGATION OPPORTUNITIES	
SUSTAINABLE VALUE CREATION 	<ul style="list-style-type: none"> Difficulty in securing and delivering growth projects effectively Unsustainable profitability from non-regulated businesses like utilities Challenges in achieving fair tariffs for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

WHAT MATTERS TO US

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

OUR VALUE CREATING BUSINESS MODEL

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



OUR VALUE PROPOSITION



Leading Gas Infrastructure Owner



Robust Balance Sheet



World-Class Operational Performance



Stable Earnings



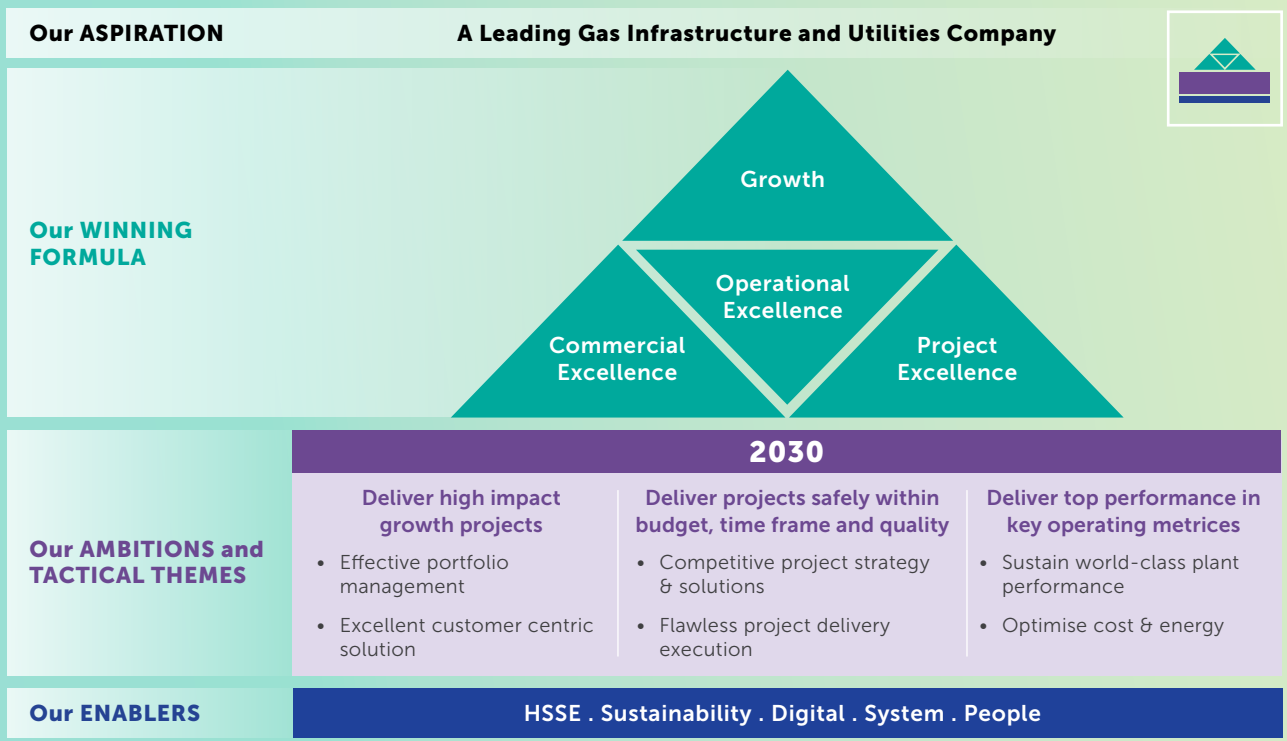
Sustainable Returns to Shareholders

	OUTPUT/OUTCOME	ACTIONS TO ENHANCE OUTCOMES	TRADE OFFS	
F	<p>Operating profit (RM bil): 2023: 2.3 2024: 2.3</p> <p>Cash from operating activities (RM bil): 2023: 3.0 2024: 3.2</p> <p>EBITDA (RM bil): 2023: 3.3 2024: 3.4</p>	<p>Earnings per share (sen): 2023: 92.0 2024: 92.8</p> <p>Dividend per share (sen): 2023: 72.0 2024: 72.0</p>	<p>Enhancing financial capital efficiency</p> <ul style="list-style-type: none"> Adopting technology and innovative solutions to optimise unit costs and operating expenses. Ensuring timely contract renewals and engaging closely with regulators to achieve mutually favourable terms for long-term agreements. Ensuring sustainable returns for shareholders in accordance with industry benchmarks. Implementing optimal hedging strategies to mitigate potential forex exposure. 	<p>By strategically investing financial capital in maintaining our plants and managing ageing assets, we strive to uphold operational excellence while enhancing value across our manufactured, human, intellectual, and social and relationship capitals.</p>
N	<p>GHG emissions (tCO₂e):</p> <p>Scope 1 2023: 5,859,402 2024: 6,074,946</p> <p>Scope 2 2023: 49,165 2024: 51,319</p> <p>Scope 3 2023: 2,249 (Category 6) 2024: 5,055 (Category 6 & 7)</p>	<p>Energy Index: 2023: 93.9 2024: 92.8</p> <p>Waste generated (MT): 2023: 3,266 2024: 2,505</p> <p>Waste recycled (MT): 2023: 2,104 2024: 1,799</p>	<p>Managing natural resources</p> <ul style="list-style-type: none"> Investing in research, development, and technologies to enhance energy efficiency, reduce negative impacts on natural elements, minimise pollution, and promote water stewardship. Setting annual targets for reducing waste disposal and greenhouse gas (GHG) emissions. Investing in initiatives to meet clean air regulation requirements. 	<p>Our business processes and emissions impact natural resources. To address and minimise this effect, we leverage our financial, asset, and human capital.</p>
M	<p>Salesgas delivered (mmscfd): 2023: 2,187 2024: 2,455</p> <p>Ethane delivered (MT/hr): 2023: 136 2024: 133</p> <p>Electricity generated (GWh): 2023: 1,568 2024: 1,680</p>	<p>Steam produced (kMT): 2023: 4,565 2024: 4,499</p> <p>Industrial gases delivered (mil Nm³): 2023: 606 2024: 696</p>	<p>Elevating asset performance</p> <ul style="list-style-type: none"> Focusing on PGB Strategic Agenda (G5dot5) progress in sustaining operational excellence while pursuing business growth and elevating project and commercial excellence. Leveraging digital initiatives in supporting business requirements by providing solutions based on the latest technology to enhance operational efficiency and innovation while creating value. 	<p>In the short-term, we utilise and deplete our financial capital to enhance asset performance. However, in the long term, this contributes positively to our financial, natural, human, and social and relationship capitals.</p>
I	<p>Key results areas (G5dot5): Number of KRAs: 2023: 90 2024: 60</p> <p>Value Creation (RM mil): 2023: 259.3 2024: 131.2</p> <p>Organisational Excellence Management System enhancement.</p>	<p>Enhanced project governance and delivery to cater for power and step-out projects via PGB Project Management System.</p> <p>Multiple awards received in HSSE and innovation front.</p> <p> For further details about our awards and recognition, please refer to page 15 in our standalone Sustainability Report 2024.</p>	<p>Leveraging intellectual capital</p> <ul style="list-style-type: none"> Standardisation of processes to eliminate errors, enhance quality and free resources for more value-added tasks. The establishment of Change Order Committee for overall control on Joint-Venture project change management. 	<p>When we invest in intellectual capital, this reduces our financial capital for the short-term. Nevertheless, over the longer term, our financial, natural, human as well as social and relationship capitals will all be strengthened.</p>
H	<p>Total employees: 1,868 Achieved 97.7% manning strength</p> <p>Average training days per employee: 13.3 Increased by 1.5%</p>	<p>Employee cost (RM mil): RM517.9 Increased by 3%</p> <p>Investment in training per employee (RM '000): RM8.7 Increased by 17%</p>	<p>Nurturing people</p> <ul style="list-style-type: none"> Accelerate capability building by introducing enhanced tailored programmes to strengthen leadership and technical expertise, while developing emerging skill sets to support the execution of growth-related projects. Fostering a culture of continuous learning through workshops, e-learning platforms, and on-the-job training. 	<p>While investing in learning and development may initially impact operational expenditures, it is expected to deliver long-term benefits. These include enhanced productivity and the sustained performance of the organisation.</p>
SR	<ul style="list-style-type: none"> PETRONAS Vendor Development Programme Safety toolbox talk sessions with contractors PETRONAS Powering Knowledge Programme with school children PETRONAS Uplifting Lives Programme with communities in need PETRONAS Planting Tomorrow Programme Contractor HSSE Mentoring and Coaching Programme <p> For further details on our social impact activities, please refer to our standalone Sustainability Report 2024.</p>	<p>Engaging stakeholders</p> <ul style="list-style-type: none"> Continuously promote gas as a cleaner energy source and advocating its role as the best clean fuel in the energy transition. Leveraging technical expertise for potential business opportunities. Supporting government initiatives, including the NETR and sustainability events like Hari Alam Sekitar Negara and local council engagements. Adopting a proactive, strategic approach to engaging ministries, authorities, and policymakers. Collaborating with NGOs to leverage their platforms and enhance sustainability programme outcomes. 	<p>We invest in our social and relationship capital for long-term financial capital growth.</p> <p>Investing in social and relationships is a long-term initiative and will be done on a continuous basis to ensure positive outcomes.</p> <p>PGB has invested in a dedicated stakeholder management team to ensure comprehensive engagement plans and implementation.</p>	

OUR STRATEGIC AGENDA

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

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



Our 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.

OUR STRATEGIC AGENDA



WINNING FORMULA

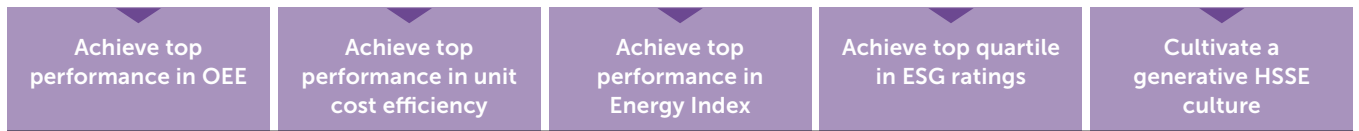
Our winning formula is anchored on four pillars: growth, commercial excellence, project excellence and operational excellence. These focus areas have been carefully identified to address internal and external challenges, ensuring PGB remains resilient and relevant in navigating shifting industry dynamics.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



AMBITIONS AND TACTICAL THEMES

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

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



<p>Overall Equipment Effectiveness (OEE)</p>	<p>OEE measures plant performance against its potential, identifying sources of inefficiency within the operation. It evaluates how effectively equipment is utilised during its available time.</p> <p>Since 2019, our assets have consistently achieved top performance in OEE, reflecting our commitment to meeting customer requirements. Strong plant performance is essential for maintaining reliability as a supplier and maximising incentives from long-term agreements.</p>
<p>Unit Cost</p>	<p>Unit cost refers to the cost incurred to produce a single unit of a product or service. It is determined by dividing the total production cost by the number of units produced. Measuring unit cost is essential for assessing efficiency, benchmarking products or services, and identifying opportunities for cost savings. Striving for top performance in unit cost target ensures that PGB remains competitive in comparison with our industry peers.</p>
<p>Energy Index (EI)</p>	<p>The EI evaluates and quantifies the energy performance or efficiency of a system, process, facility or organisation. It measures how effectively energy resources are utilised to produce products and deliver services. By leveraging the latest technologies and implementing operational adjustments, PGB remains committed to maintaining top performance efficiency, thereby enhancing our sustainability performance.</p>
<p>Environmental, Social and Governance (ESG)</p>	<p>ESG ratings assess a company's performance in managing the environmental, social and governance aspects of its operations. These ratings are widely used by investors and stakeholders to evaluate a company's sustainability and investment risk.</p> <p>ESG rating providers, such as FTSE4Good, employ diverse methodologies and data sources to determine a company's commitment to sustainability. Attaining a top quartile ESG rating underscores PGB's dedication to sustainability, responsible governance and its relevance to both shareholders and the market.</p>

OUR STRATEGIC AGENDA

Generative HSSE Culture

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

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

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

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






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

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

 <h3>Growth & Commercial Excellence</h3> <ul style="list-style-type: none"> Ensuring effective portfolio management Delivering excellent customer-centric solutions 	 <h3>Project Excellence</h3> <ul style="list-style-type: none"> Implementing competitive project strategies and solutions Driving flawless project delivery and execution 	 <h3>Operational Excellence</h3> <ul style="list-style-type: none"> Sustaining world-class plant performance Optimising cost and energy efficiency
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OUR ENABLERS

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

STRATEGIC FOCUS AREAS AND KEY PERFORMANCE INDICATORS



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

STRATEGIC FOCUS AREAS AND KEY PERFORMANCE INDICATORS

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



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



STRATEGIC FOCUS AREAS AND KEY PERFORMANCE INDICATORS



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

RISKS LINKED TO STRATEGY

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

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

HSSE

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

Impact to PGB

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

Mitigation Actions and Opportunities

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

Risk Rating: High

Risk Trend: Same/maintain

Strategic Agenda:



Enablers (HSSE)

Materials Matters:



Environmental Management



Occupational Health and Safety

Stakeholder Groups:



Government Agencies and Authorities



Communities

GROWTH

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

Impact to PGB

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

Mitigation Actions and Opportunities

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

Risk Rating: High

Risk Trend: Improved

Strategic Agenda:



Winning formula (Growth)

Materials Matters:



Sustainable Value Creation

Stakeholder Groups:



Investors and Funding Institutions



Customers



Government Agencies and Authorities



Business Partners

PROJECT DELIVERY

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

Impact to PGB

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

Mitigation Actions and Opportunities

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

Risk Rating: High

Risk Trend: Same/maintain

Strategic Agenda:



Winning formula (Project excellence)

Materials Matters:



Sustainable Value Creation

Stakeholder Groups:



Suppliers and Vendors



Government Agencies and Authorities



Employees and Unions



Communities

RISKS LINKED TO STRATEGY

CYBERSECURITY

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


Impact to PGB


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




Mitigation Actions and Opportunities

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

Risk Rating: Medium **Risk Trend: Same/maintain**

Strategic Agenda:
 Enablers (Digital)

Materials Matters:
 Cybersecurity and Data Privacy

Stakeholder Groups:
 Suppliers and Vendors
  Media
  Government Agencies and Authorities

SUSTAINABILITY

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

Impact to PGB

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

Mitigation Actions and Opportunities

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

Risk Rating: Medium **Risk Trend: Increasing**

Strategic Agenda:
 Enablers (Sustainability)

Materials Matters:
 Mitigating Climate Change

Stakeholder Groups:
 Investors and Funding Institutions
  Media

LEGAL & REGULATORY

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

Impact to PGB

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

Mitigation Actions and Opportunities

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

Risk Rating: Medium **Risk Trend: Increasing**

Strategic Agenda:
 Enablers (People)

Materials Matters:
 Business Ethics and Transparency

Stakeholder Groups:
 Business Partners
  Employees and Unions
 Suppliers and Vendors
  Government Agencies and Authorities

FINANCIAL

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

Impact to PGB

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

Mitigation Actions and Opportunities

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

Risk Rating: Medium **Risk Trend: Same/maintain**

Strategic Agenda:
 Winning formula (Commercial Excellence)

Materials Matters:
 Sustainable Value Creation

Stakeholder Groups:
 Investors and Funding Institutions
  Business Partners

BUSINESS REVIEW

GAS PROCESSING



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

HUMAN CAPITAL

Male	904	
Female	96	
Total Staff	1,000	

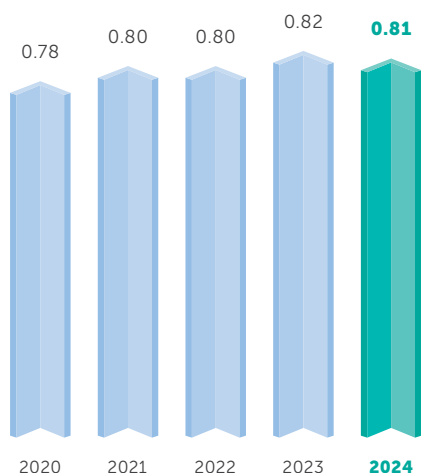
OPERATIONAL PERFORMANCE

2024 Operational Metrics

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

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

Salesgas Recovery Factor



PERFORMANCE AGAINST STRATEGIC KPIS

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

* Combined assessment for Gas Processing and Utilities

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

HIGHLIGHTS FROM 2024

Strategic Objectives
Initiatives

RESPONSE TO CHALLENGES AND RISKS

HSSE

Operational Excellence

Business Environment

OUTLOOK AND PROSPECTS	Short-term
	Medium- to Long-term

BUSINESS REVIEW

REVENUE

RM1.87 billion

GROSS PROFIT

RM0.80 billion

SEGMENT ASSET

RM4.44 billion

OE Operational Excellence

- Optimised value through innovative, agile, and energy efficient operational strategies, achieving:
- OEE & Reliability >99%
 - 100% fulfilment to customer demand despite higher volatility of feed gas supply and quality
 - Improvement in our Energy Index from 93.5 to 91.9
 - Achieved highest value creation of additional RM114.4 million through the execution of KRAs under the Gas Processing and Utilities (GPU) Playbook, which identifies and monitors key targets for sustained value creation until 2030 in alignment with our G5dot5 Strategic Agenda

CE Commercial Excellence

Despite more stringent requirements imposed in the 3rd term GPA, Gas Processing (GP) has achieved the maximum incentive through execution of targeted strategies and initiatives reducing energy consumption, guided by a continuous improvement methodology.

GR Growth

Continued to pursue strategic business growth opportunities aligned with the Environmental, Social and Governance agenda for Gas Processing plants.

Challenges and Risk

Mitigation

High number of projects and site activities results in heightened exposure to HSSE risks.
Ensuring compliance with stricter environmental standard and regulations related to effluent and emission discharge.
Commitment to sustainability and achieving Net Zero Carbon Emissions.

- Implement proactive measures to uphold a culture of compliance:
 - Accountability: Hold individuals accountable through the use of leading indicators and daily risk dashboards.
 - Hazards and Risks Awareness: Enhance understanding of hazards and risks via the "What Good Looks Like" checklist and empower employees to exercise Stop Work Authority.
 - Mistake Proofing: Leverage digital solutions such as Electronic Permit to Work+ 2.0 (ePTW+ 2.0), Integrated Process Safety Solution (IPSS) and Digital Pre-Activity Safety Review (PASR) to minimise human errors and streamline processes.
 - External Risk Management: Mitigate external risks by implementing the External Risk Management (ExRM) programme, ensuring enhanced protection and compliance at GPU.
- Undertook long-term solution through project enhancements, with existing interim measures through operational control measures of effluent treatment by improving chemical injection management.
- Continue pursuing carbon abatement initiatives to support sustainability goals and reduce emissions.

External threats affecting feed gas reliability and availability.
Sustaining high asset reliability amidst aging facilities.

- Maximise ethane production through scenario modelling/agile plant configurations which allows flexibility in creating window for plant maintenance through a "Ready to Fix" concept focused on integrated maintenance activities with production planning to address plant reliability threats and safeguard customer demands.
- Sustain asset reliability at >99% to ensure uninterrupted supply to customers through execution of reliability KRAs established in the GPU Playbook.
- Execution of improvement projects adopting "future-proof" concept to manage forecasted variation of feed gas composition and contamination, securing long-term plant operability.
- Focused efforts on reliability and integrity through sweeping and hunting initiatives to identify potential loss of containment.
- Completed fit-for-purpose new compressor unit installation to enable continuous off-gas recovery from Terengganu Crude Oil Terminal leading to decommissioning of Gas Processing Plant 1 to optimise plant operations and accommodate demand fluctuations.

Market oversupply or undersupply of Liquefied Petroleum Gas poses inventory management challenges leading to demurrage and distress product evacuation.

Enhance integrated supply chain planning through the deployment of a digital solution (DigiPos Phase 1), enabling accurate prediction of incoming feed gas composition based on upstream disruptions to execute suitable blending strategies.

Geopolitical conflicts result in margin erosion and increased prices for services and parts, driving up operational costs.

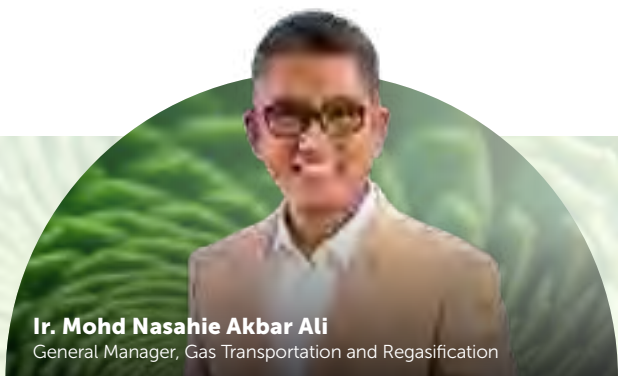
Implement hedging strategies to mitigate the impact of sudden price fluctuations and stabilise operating costs.

In the short-term, we are focused on the seamless operationalisation of the 3rd Term GPA requirements through prudent execution of operations and maintenance. Efforts will also be directed towards mitigating reliability threats to sustain high plant reliability and availability, ensuring that customer demands are consistently met. Additionally, we aim to strengthen the project engineering and project management ecosystem to enable safe execution of operations readiness.

In the medium- to long-term, our focus will expand towards exploring opportunities for new revenue streams to drive sustainable growth. We are also committed to diversifying our portfolio through domestic infra play by developing long-term solutions and investments towards managing high feedgas contaminants, ensuring operational sustainability and resilience. Furthermore, we will continue addressing the sustainability agenda and adhering to regulatory requirements, including Clean Air Regulations 2014 (CAR 2014), to align with evolving industry expectations.

BUSINESS REVIEW

GAS TRANSPORTATION



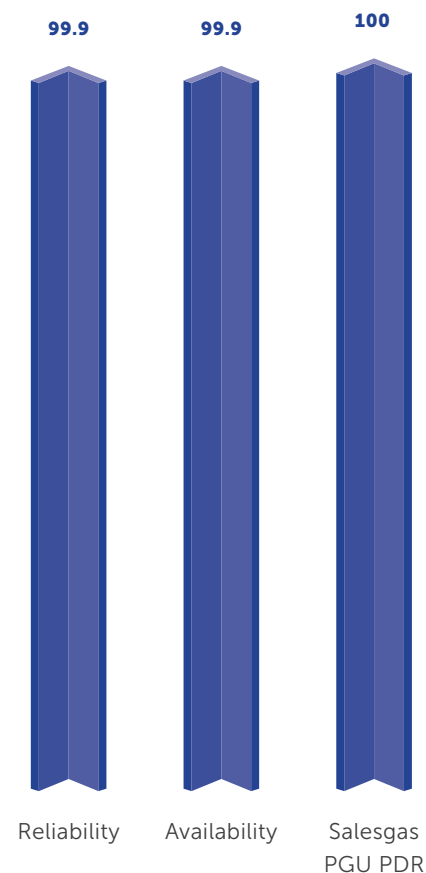
Ir. Mohd Nasahie Akbar Ali
General Manager, Gas Transportation and Regasification

HUMAN CAPITAL

Male	294	
Female	31	
Total Staff	325	

OPERATIONAL PERFORMANCE

2024 Operational Metrics (%)



PERFORMANCE AGAINST STRATEGIC KPIS

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

* Combined assessment for Gas Transportation and Regasification

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

HIGHLIGHTS FROM 2024

Strategic Objectives
Initiatives

RESPONSE TO CHALLENGES AND RISKS

HSSE
Operational Excellence
Business Environment

OUTLOOK AND PROSPECTS	Short-term
	Medium- to Long-Term

BUSINESS REVIEW

REVENUE

RM1.20
billion

GROSS PROFIT

RM0.59
billion

SEGMENT ASSET

RM4.35
billion

OE Operational Excellence

Expanded Distributed Acoustic Sensing coverage to safeguard Gas Transportation (GT) assets in remote areas, ensuring zero supply interruptions in meeting national energy demands.

Proactively manage geotechnical hazards and maintain pipeline reliability and integrity in challenging or remote environments through implementation of critical projects such as Slope & Riverbank Erosion Protection Construction. This involved a comprehensive strategy combining advanced geotechnical analysis, continuous monitoring, and preventive measures.

Successfully executed projects under Regulatory Period 2 (RP2) as planned, maximising the utilisation of GT CAPEX.

CE Commercial Excellence

We continue to ensure timely execution of RP2 activities to safeguard our return from the investment. As we approach the final year of RP2 in 2025 for our Gas Transportation segment, discussions are well underway to secure mutually favourable terms for Regulatory Period 3 (RP3). These efforts will enable us to mitigate risks, optimise resources, build stakeholder confidence, and support long-term operational success.

GR Growth

Completed 42 km pipeline extension to Pulau Indah.

Ongoing development of new Kluang Compressor Station.

Ongoing development of new Jeram Compressor Station.

Challenges and Risk

High number of critical activities and projects leading to higher exposure to HSSE risks.

Sustaining Operational Excellence while managing ageing assets to ensure a continuous business value chain.

Ensuring compliance while managing multiple stakeholders.

Delivering performance with regulated assets in a volatile and evolving market environment.

Mitigation

- i. Foster close partnerships with internal and external stakeholders to drive the effective implementation of the Let's Comply & Intervene campaign and Stop Work policy.
- ii. Enhance the cultivation of an HSSE Generative Culture among staff and partners.
- iii. Internalise Making Zero Accidents Possible by:
 - Enhancing procedure communication
 - Strengthening site supervision and communication of lessons learned to eliminate major HSSE incidents
 - Improving HSSE compliance and lesson learnt sharing activities at project and Operation & Maintenance (O&M) sites.
- iv. Emphasise HSSE Accountability and Behavioural Reinforcement/Balance of Consequences for a Safe System of Work (SSOW), Covering Chemical Management, Management of Change (MOC), Schedule Waste (SW), and Fitness-to-Work Standards.
- v. Implement the PGB Contractor Mentorship Programme for identified contractors based on HSSE performance and site execution compliance.
- vi. Appointment of Mind-A-Care Ambassadors at Gas Transportation and Regasification (GTR) (11 personnel) and conducting monthly wellness days to encourage mental health awareness and provide a platform for support.

- i. Evaluate the integrity of existing assets and effectively manage ageing facilities to ensure optimal gas supply security.
- ii. Foster continuous improvement to enhance performance efficiency and drive greater value creation such as Real-Time Cathodic Protection Monitoring and Real-Time Soil pH Monitoring.
- iii. Close collaboration with stakeholders along the pipeline.

- i. Leverage a robust and continuous monitoring and control system to ensure zero supply interruptions.
- ii. Dedicate a strong focus on ensuring our transportation infrastructure remains intact and resilient.

- i. Ensure efficient and optimised O&M practices to meet national energy demands.
- ii. Utilise digital tools and technology to improve efficiency and deliver performance at a competitive cost.
- iii. Create new growth opportunities by leveraging existing facilities and addressing diverse demand requirements.
- iv. Deliver project excellence through initiatives such as Kluang Compressor Station and Jeram Compressor Station to maximise value chain capacity.

In the short-term, we aim to effectively manage ageing facilities, pipeline integrity management and rejuvenation, improving reliability of compression system towards optimising gas delivery at an efficient cost while addressing diverse demand requirements. Concurrently, we will ensure compliance in project delivery, focusing on safe completion, on-time schedules, within budget, and according to scope.

In the medium- to long-term, our focus will be on creating new growth opportunities and maximising asset utilisation to meet the emerging national energy demand. To remain relevant, we will prioritise effective asset rejuvenation and the execution of growth projects to sustain optimal performance. Additionally, we will emphasise developing a highly competent and empowered workforce to drive the organisation's agility and resilience in a dynamic environment.

BUSINESS REVIEW

REGASIFICATION



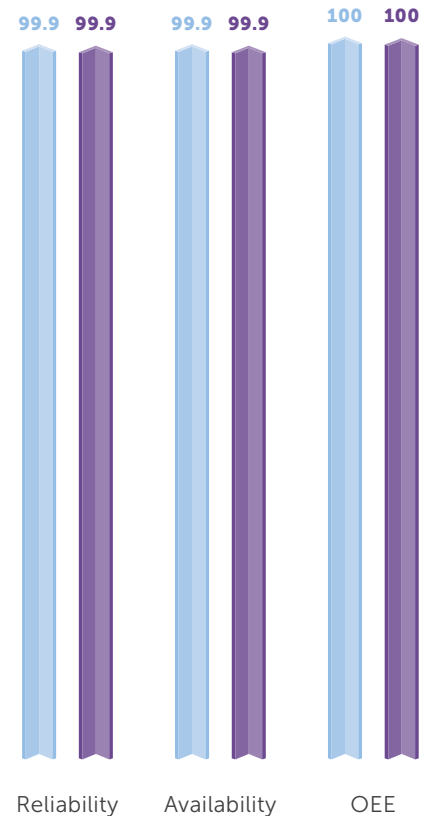
Ir. Mohd Nasahie Akbar Ali
General Manager, Gas Transportation & Regasification

HUMAN CAPITAL	
Male	117
Female	7
Total Staff	124

OPERATIONAL PERFORMANCE

2024 Operational Metrics (%)

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



PERFORMANCE AGAINST STRATEGIC KPIS	
Strategic Focus Area	2024 Performance
HSSE Excellence	i. Zero Major HSSE Incident ii. Zero Major Security Incident
Financial Excellence	i. Continuous Cost Optimisation initiatives ii. Timely execution and completion of CAPEX as per Suruhanjaya Tenaga approved plan
Operational Excellence	i. RGTSU and RGTP OEE at 100% ii. Reliability at 99.9% iii. 100% Regulatory Compliance iv. Zero Recurrence of High Findings by Third Line Audit
S&I and Project Delivery Excellence	i. Growth Projects achieved FID as planned* ii. KRAs achieved value creation of RM16.7 mil*
People Development	100% capability based assessment in having the right competency for the operation*
Culture	We have consistently achieved top quartile of the culture survey rating. This was achieved through effective engagement and communication throughout the year*

* Combined assessment for Gas Transportation and Regasification

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

HIGHLIGHTS FROM 2024
Strategic Objectives
Initiatives

RESPONSE TO CHALLENGES AND RISKS
HSSE
Operational Excellence
Business Environment

OUTLOOK AND PROSPECTS
Short-term
Medium- to Long-Term

BUSINESS REVIEW

REVENUE

RM1.36
billion

GROSS PROFIT

RM0.60
billion

SEGMENT ASSET

RM4.47
billion

OE Operational Excellence

The completion of the LNG Drain Spool at BOG Suction Drum Automation/ Remote Operation project has improved the operational efficiency of internal gas consumption at RGTP, enhancing resource management and delivering substantial value to overall logistics and terminal operations.

Seawater Overboard Upgrading Project was successfully completed, ensuring that Loading Platform at RGTSU is structurally optimised for enhanced safety, operational efficiency, and long-term durability, supporting more sustainable operations.

The successful completion of the solar project at RGTSU has delivered multiple impactful benefits, including cost savings, energy independence and environmental sustainability.

Execution of RP2 projects remain on track as planned, driving the optimum utilisation of Regasification CAPEX.

CE Commercial Excellence

We continue to ensure timely execution of RP2 activities to safeguard our return from the investment. As we approach the final year of RP2 in 2025 for our Regasification segment, discussions are well underway to secure mutually favourable terms for RP3. These efforts will enable us to mitigate risks, optimise resources, build stakeholder confidence, and support long-term operational success.

GR Growth

The engineering phase of the floating Liquefied Natural Gas (LNG) storage in Pengerang has been successfully completed. The construction stage is in progress, with the target Commercial Operation Date set for second half of 2025.

Challenges and Risk

Ensured that our OEE is maintained at world-class standards.

High number of critical activities and projects leading to higher exposure to HSSE risks.

Sustaining Operational Excellence while managing ageing assets to ensure a continuous business value chain.

Ensured that our OEE is maintained at world-class standards.

Delivering performance with regulated assets in a volatile and evolving market environment.

Mitigation

- i. Foster close partnerships with internal and external stakeholders to drive the effective implementation of the Let's Comply & Intervene campaign and Stop Work policy.
- ii. Enhance the cultivation of an HSSE Generative Culture among staff and partners.
- iii. Internalise Making Zero Accidents Possible by:
 - Enhancing procedure communication
 - Strengthening site supervision and communication of lessons learned to eliminate major HSSE incidents
 - Improving HSSE compliance and lesson learnt sharing activities at project and O&M sites.
- iv. Emphasise HSSE Accountability and Behavioural Reinforcement/Balance of Consequences for a SSOW, covering chemical management, MOC, SW, and fitness-to-work standards.
- v. Implement the PGB Contractor Mentorship Programme for identified contractors based on HSSE performance and site execution compliance.
- vi. Appointment of Mind-A-Care Ambassadors at GTR (11 personnel) and conducting monthly wellness days to encourage mental health awareness and provide a platform for support.

- i. Managing equipment efficiency to ensure plant reliability and optimal security of gas supply.
- ii. Evaluate the integrity of existing assets and effectively manage ageing facilities to ensure optimal gas supply security.
- iii. Deliver project excellence for maximising the business value chain capacity i.e. floating LNG storage in Pengerang.
- iv. Continuous preventive maintenance and predictive analysis on equipment effectiveness.

- i. Ensure efficient and optimised O&M practices to meet national energy demands.
- ii. Utilise digital tools and technology to improve efficiency and deliver performance at a competitive cost.
- iii. Create new growth opportunities by leveraging existing facilities and addressing diverse demand requirements.

We aim to sustain asset reliability and integrity through optimisation programmes that ensure assets remain available to meet the agility of market demand. Concurrently, we will focus on quality project implementation and execution to maximise CAPEX utilisation during each regulatory period. Debottleneck of current regasification terminal capacity to support the increase in the national gas demand.

Our focus will broaden towards expanding asset capabilities and horizons to support the incremental growth of national energy demand.

BUSINESS REVIEW

UTILITIES



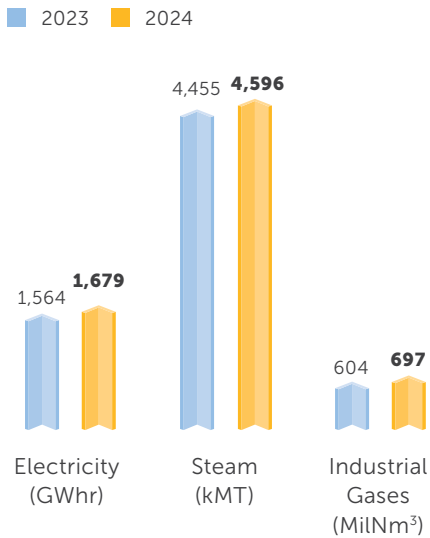
Shahrul Izan Bakti bin A Aziz
Senior General Manager, Gas Processing & Utilities

HUMAN CAPITAL

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

OPERATIONAL PERFORMANCE

Utilities Kertih (UK) and Utilities Gebeng (UG)



2024 Operational Metrics

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

PERFORMANCE AGAINST STRATEGIC KPIS

Strategic Focus Area	2024 Performance
HSSE Excellence	i. Zero Major HSSE Incident ii. Zero Major Security Incident
Financial Excellence	i. Continuous Cost Optimisation initiatives ii. Timely execution and completion of CAPEX
Operational Excellence	i. UT PDR at 99.13% ii. UT OEE at >99% iii. 100% Regulatory Compliance iv. Zero Recurrence of High finding from Third Line Audit
S&I and Project Delivery Excellence	i. KRAs realised value creation of RM114.4 mil* ii. Enhanced project management and execution for project delivery excellence*
People Development	100% capability based assessment in having the right competency for the operation*
Culture	We have consistently achieved top quartile of the culture survey rating. This was achieved through effective engagement and communication throughout the year*

* Combined assessment for Gas Processing and Utilities

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

HIGHLIGHTS FROM 2024

Strategic Objectives

Initiatives

RESPONSE TO CHALLENGES AND RISKS

- HSSE
- Operational Excellence
- Business Environment

OUTLOOK AND PROSPECTS

- Short-term
- Medium- to Long-Term

BUSINESS REVIEW

REVENUE

RM2.11
billion

GROSS PROFIT

RM0.28
billion

SEGMENT ASSET

RM1.78
billion

OE Operational Excellence

Deployed an agile running configuration for our cogeneration (COGEN) plants, optimising efficiency and production of power and steam in alignment with product demand.

Achieved full compliance to CAR 2014 requirements.

Optimised COGEN plants efficiency with an agile running configuration, aligning power and steam production with demand while driving operational expenditure savings through cost control, operational efficiency, and continuous yield improvements.

Launched PCG-PGB Supply Reliability Taskforce to close 13 critical gaps, strengthening resilience, optimising demand-supply balance, and mitigating risks through data-driven strategies and commercial agility.

Leveraging new technology to enhance operational excellence, the initiation of energy efficiency enhancements includes Dry Ice Cleaning for Utilities (UT) Heat Recovery Steam Generator and Ammonia Turbine optimisation with IHI and Gentari.

CE Commercial Excellence

Secured supply of nitrogen to Gas Processing plants as part of our sustainability efforts, aimed at eliminating energy loss and enhancing operational efficiency.

Implementation of advanced data processing, fully automating New Enhanced Dispatch Agreement export via UG Utility Optimiser to minimise business opportunity loss.

GR Growth

We intensified efforts to secure new business opportunities such as steam supply to new customers, while strategically positioning the UT segment in high growth areas, leveraging plant integration to enhance competitiveness.

Secured new business contracts of steam supply to Eastman, strengthening long-term revenue streams for UG.

Challenges and Risk

Sustaining HSSE compliance and performance with a lean execution team.

Commitment to sustainability and achieving Net Zero Carbon Emissions.

Further optimising equipment running efficiency without jeopardising product delivery reliability.

Addressing the impact of non-competitive fuel gas prices.

Mitigation

- i. Implement proactive measures to uphold a culture of compliance:
 - a. Accountability: Hold individuals accountable through the use of leading indicators and daily risk dashboards.
 - b. Hazards and Risks Awareness: Enhance understanding of hazards and risks via the "What Good Looks Like" checklist and empower employees to exercise Stop Work Authority.
 - c. Mistake Proofing: Leverage digital solutions such as ePTW+ 2.0, IPSS, and Digital PASR to minimise human errors and streamline processes.
 - d. External Risk Management: Mitigate external risks by implementing the ExRM programme, ensuring enhanced protection and compliance at GPU.
- ii. Continue pursuing carbon abatement initiatives to support sustainability goals and reduce emissions.

- i. Deployed Utilities Optimiser, an automated configuration system for agile operation of COGEN plants, optimising efficiency and production of power and steam in alignment with product demand.
- ii. Enhanced energy leading indicator monitoring for energy efficiency ensuring optimised operations.

- i. Implementation of the Utilities Business Operation Revival Strategy, focusing on three critical areas:
 - a. Enhancing COGEN reliability
 - b. Optimising Industrial Gas (IG) operations
 - c. Pursuing new business opportunities
- ii. Strengthen a "Know Your Cost" culture, streamlining operations and optimising resource allocation to foster financial resilience and profitability amidst uncertain Imbalance Cost Pass-Through policies.

In the short-term, we aim to enhance the implementation of agile configurations for our COGEN plants, enabling greater optimisation of power generation efficiency in response to dynamic product demand.

Additionally, addressing reliability threats remains a top priority to maintain high plant reliability and availability in fulfilling customer requirements specifically focusing on IG improvement and reliability enhancements.

UT will also continue to pursue product spot sales enhancement to strengthen business revenue stream.

In the medium- to long-term, our focus is on expanding the utilities business in securing new supply of our products to a broader customer base.

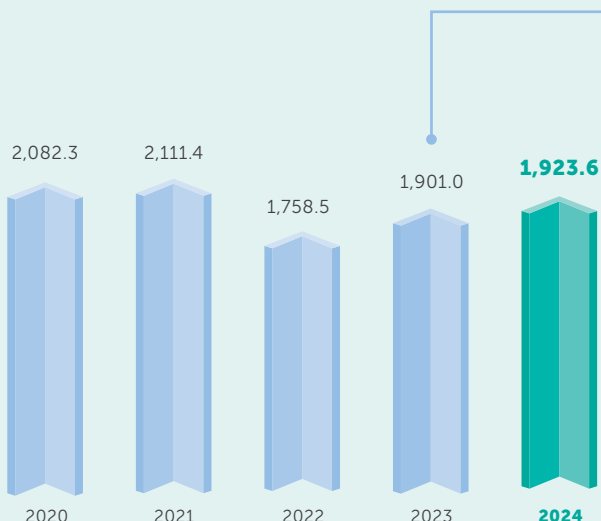
We also plan to leverage digitalisation to enhance our maintenance practices and strategically expand our operations through Utilities Remote Operation Centre, leading to enhanced plant efficiency and improved business growth prospects.

FINANCIAL REVIEW

5-Year Group Financial Review

ANALYSIS OF PROFIT AFTER TAX (RM mil)

2023



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

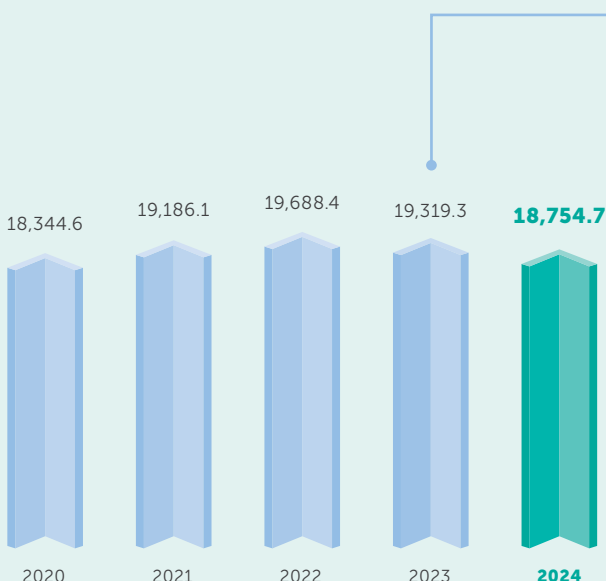
2024

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

ANALYSIS OF TOTAL ASSETS (RM mil)

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

2023



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

2024

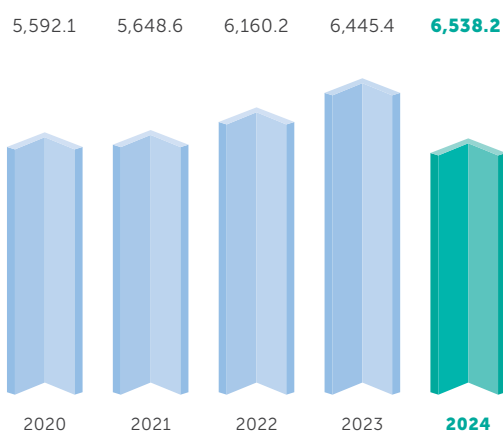
Compared to FY2023, total assets recorded a slight decline, mainly due to bullet repayment of islamic financing facility, partially cushioned by cash generated from operations during the year. Despite this, the Group maintained a healthy financial position, ensuring resilience and readiness for future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

FINANCIAL REVIEW

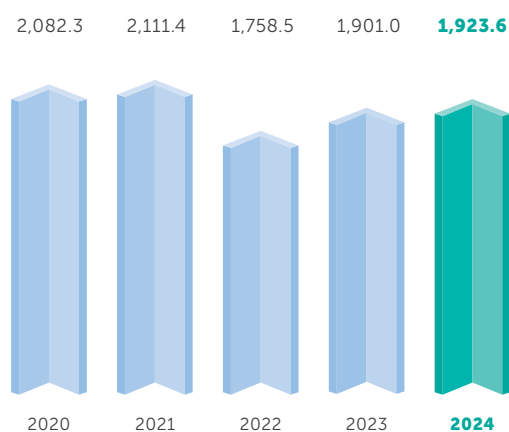
5-Year Group Financial Summary

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

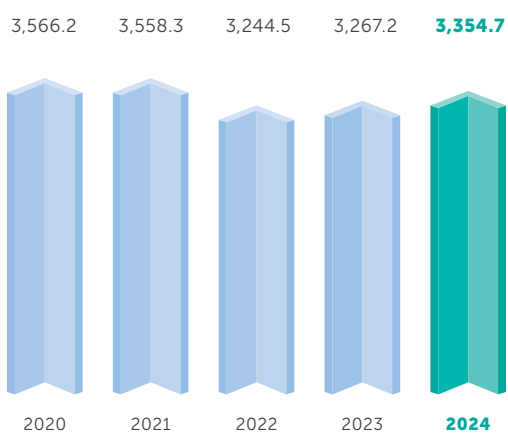
REVENUE (RM mil)



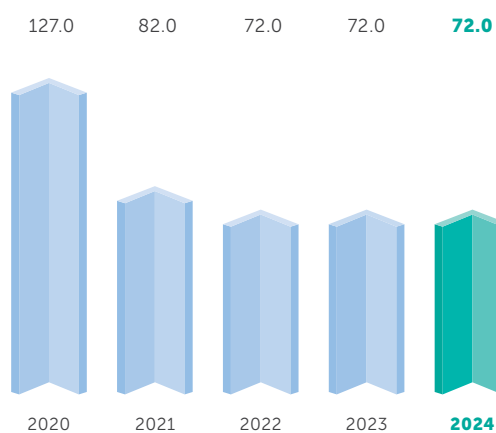
PROFIT AFTER TAX (RM mil)



EBITDA (RM mil)



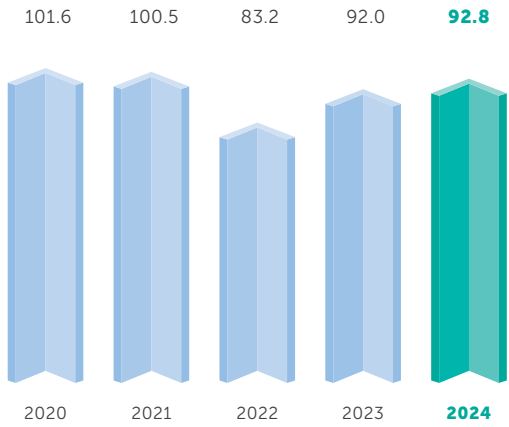
DIVIDEND PER SHARE (sen)



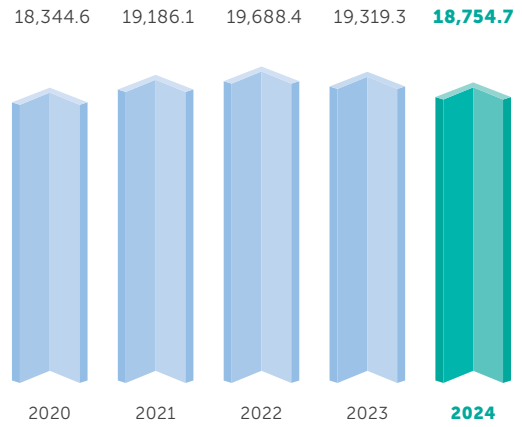
FINANCIAL REVIEW

5-Year Group Financial Summary

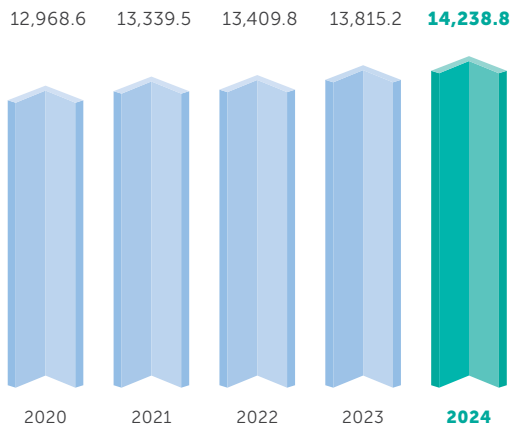
EARNINGS PER SHARE (sen)



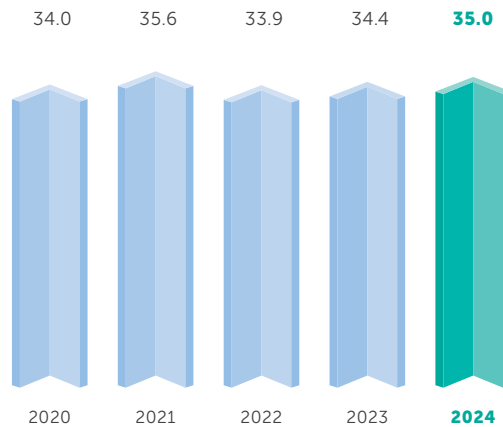
TOTAL ASSETS (RM mil)



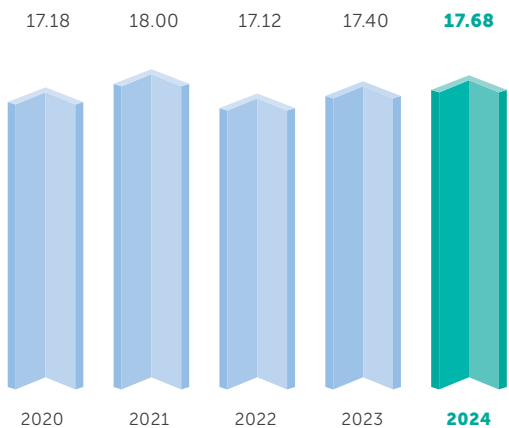
TOTAL EQUITY (RM mil)



MARKET CAPITALISATION (RM bil)



CLOSING SHARE PRICE (RM)



FINANCIAL REVIEW

5-Year Group Financial Information

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

FINANCIAL REVIEW

Group Quarterly Performance

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

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

FINANCIAL REVIEW

Simplified Group Statement of Financial Position

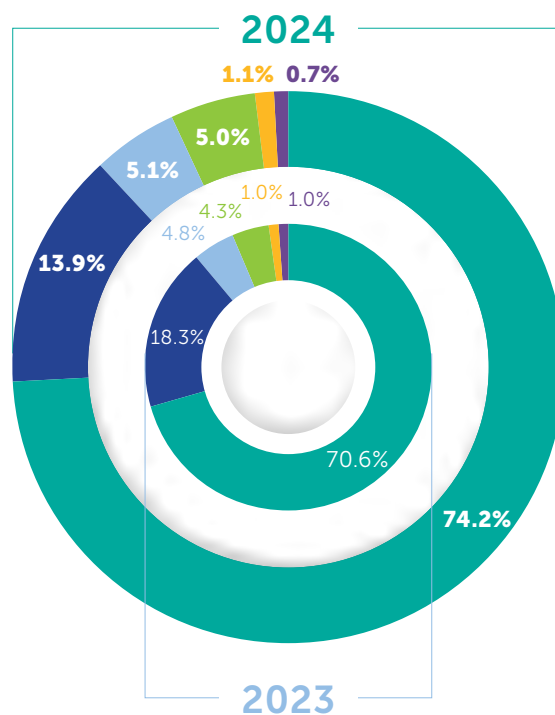
TOTAL ASSETS

2024 **RM18.8 BILLION**

2023 RM19.3 BILLION

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

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

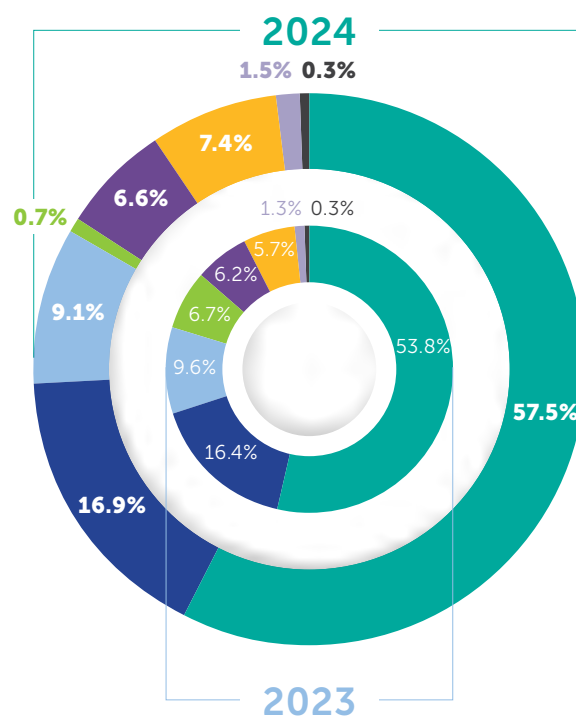


TOTAL EQUITY & LIABILITIES

2024 **RM18.8 BILLION**

2023 RM19.3 BILLION

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



FINANCIAL REVIEW

Key Interest-Bearing Assets and Liabilities

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

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

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

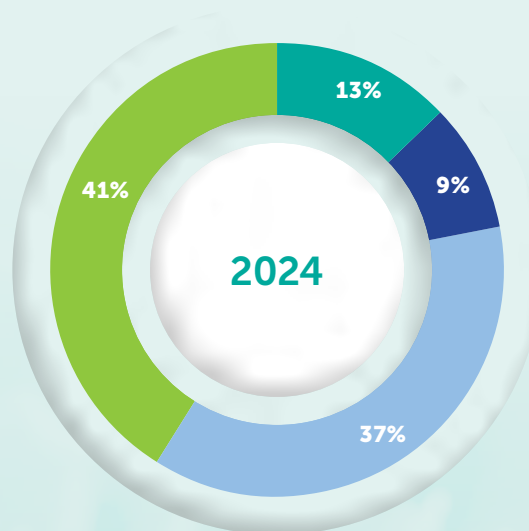
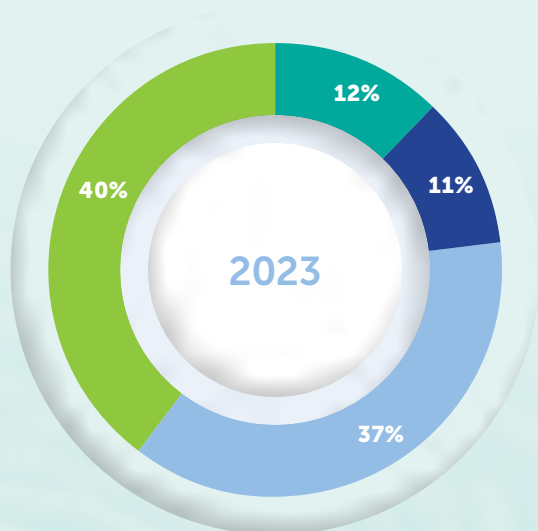
Statement of Value Added

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

FINANCIAL REVIEW

Distributed of Value Added

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



FINANCIAL REVIEW

Investor Relations

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

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

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

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

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

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

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

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

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



FINANCIAL REVIEW

Investor Relations

INVESTOR RELATIONS ACTIVITIES

QUARTERLY RESULTS ANNOUNCEMENTS:

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

INVESTOR/ANALYST SITE VISIT:

24 June 2024

Pengerang, Johor

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

1 October 2024

Kertih, Terengganu

Institutional investors visit to Gas Processing Kertih

SHAREHOLDER SITE VISIT:



2 September 2024

Sungai Udang, Melaka

Shareholder visit programme to Regasification Terminal Sungai Udang

41st

ANNUAL GENERAL MEETING

Tuesday, 23 April 2024



Live Streaming from Kuala Lumpur Convention Centre, Kuala Lumpur

Shareholders and Representatives:

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

2,568 participants at any point during the virtual session

23 ENGAGEMENTS

(2023: 24)

CHANNELS:

Annual General Meeting

Quarterly Analyst Briefings

Conferences and Roadshows

Corporate Meetings

Site Visits

FINANCIAL REVIEW

Investor Relations

2024 SIGNIFICANT ANNOUNCEMENTS

27 February

PGB renaming of the Board Risk Committee.

Quarterly report on consolidated results for the financial period ended 31 December 2023.



BURSA Announcement

15 March

Final Investment Decision for the Development of Jeram Compressor Station.



BURSA Announcement

3 May

Publication of PGB's Regulatory Period 2 Adjusted Tariffs for Peninsular Gas Utilisation, Regasification Terminal Sg Udang, Melaka and Regasification Terminal Pengerang, Johor from 1 January 2024 to 31 December 2024 under the Third-Party Access system.



BURSA Announcement

29 May

Quarterly report on consolidated results for the financial period ended 31 March 2024.



BURSA Announcement

20 August

Quarterly report on consolidated results for the financial period ended 30 June 2024.



BURSA Announcement

27 November

Quarterly report on consolidated results for the financial period ended 30 September 2024.



BURSA Announcement

FINANCIAL REVIEW

Financial Calendar

2024

27 February

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2023

29 February

Announcement of the audited financial statements for the financial year ended 31 December 2023

22 March

Date of Notice of 41st Annual General Meeting and date of issuance of Integrated Report 2023

25 March

Date of payment of the fourth interim dividend for the financial year ended 31 December 2023

23 April

41st Annual General Meeting

29 May

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2024

27 June

Date of payment of the first interim dividend for the financial year ended 31 December 2024

20 August

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2024

19 September

Date of payment of the second interim dividend for the financial year ended 31 December 2024

27 November

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2024

24 December

Date of payment of the third interim dividend for the financial year ended 31 December 2024

2025

21 February

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2024

25 February

Announcement of the audited financial statements for the financial year ended 31 December 2024

20 March

Date of payment of the fourth interim dividend for the financial year ended 31 December 2024

21 March

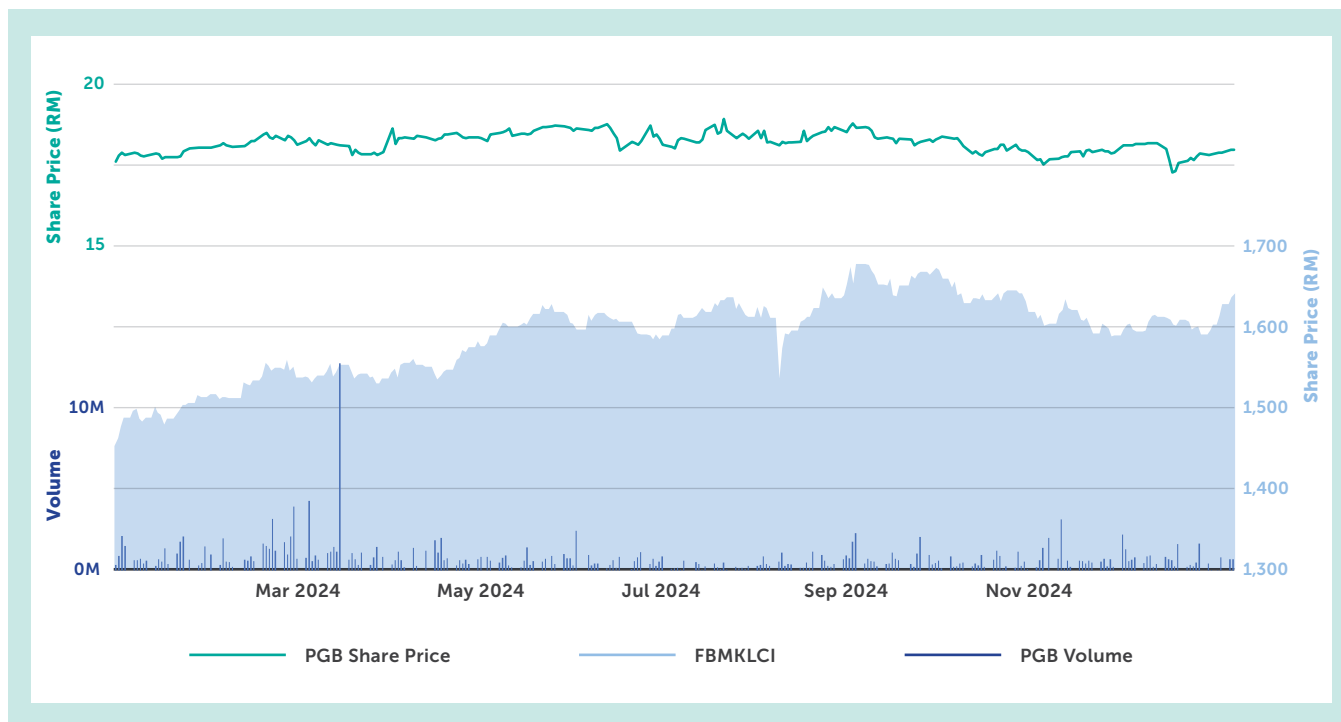
Date of Notice of 42nd Annual General Meeting and date of issuance of Integrated Report 2024

23 April

42nd Annual General Meeting

FINANCIAL REVIEW

Share Price Performance



INVESTOR RELATIONS ACTIVITIES

OPENING

RM17.36

2023: RM16.80

CLOSING

RM17.68

2023: RM17.40

PEAK

RM18.52

2023: RM17.74

EARNINGS PER SHARE

92.8 sen

2023: 92.0 sen

DIVIDEND PER SHARE

72 sen

2023: 72 sen

MARKET CAPITALISATION

RM35.0 billion

2023: RM34.4 billion

AVERAGE DAILY TRADED VOLUME

796,072

2023: 699,378

DIVIDEND

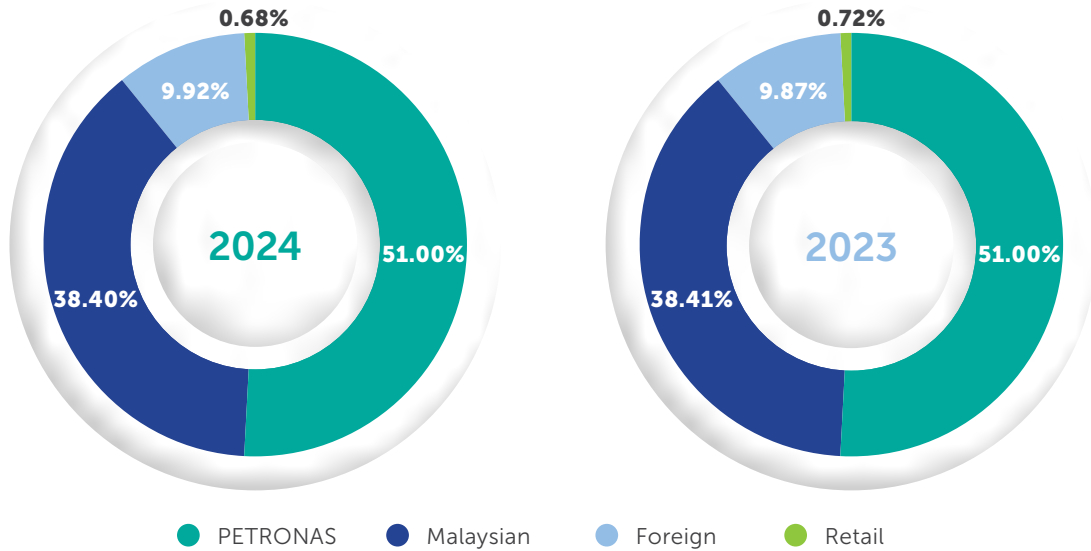
1st Interim	27 Jun 2024	2nd Interim	19 Sep 2024	3rd Interim	24 Dec 2024	4th Interim	20 Mar 2025
16 sen		16 sen		18 sen		22 sen	

FINANCIAL REVIEW

Share Price Performance

SHAREHOLDING AS AT 31 DECEMBER 2024

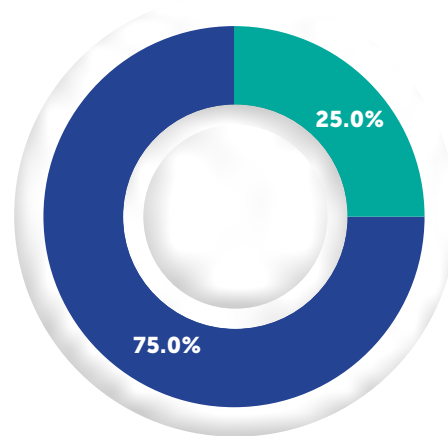
BY INSTITUTION



ANALYST COVERAGE

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

ANALYST RECOMMENDATION AS OF 28 FEBRUARY 2025



● Buys: 4 ● Holds: 12 ● Sells: 0

SUSTAINABILITY REVIEW

Approach to Sustainability

RESPONSIBLY SHAPING A SUSTAINABLE TOMORROW



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

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

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

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



SUSTAINABLE VALUE CREATION

Drive long-term business value creation through responsible investments.



SAFEGUARD THE ENVIRONMENT

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



POSITIVE SOCIAL IMPACT

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



RESPONSIBLE GOVERNANCE

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

SUSTAINABILITY REVIEW

Approach to Sustainability



UN SDGs Involved:

3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	



SCOPE AND BOUNDARY OF REPORTING

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

REPORTING FRAMEWORK

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

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

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

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



Scan Me:

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

SUSTAINABILITY REVIEW

Sustainability Scorecard

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

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

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

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

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

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

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

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

SR Please refer to the Responsible Governance section on pages 144-151 our Sustainability Report 2024.