

SETTLEMENT AGREEMENT PETRONAS GAS BERHAD AND BASF PETRONAS CHEMICALS SDN BHD

1.0 INTRODUCTION

- 1.1 **PETRONAS Gas Berhad** ("**PGB**" or "**Company**") wishes to announce that the Company has on 15th July 2025, entered into a Settlement Agreement ("**Agreement**") with BASF PETRONAS Chemicals Sdn. Bhd. ("**BPC**") to settle the disputes between the parties in respect of supply of electricity ("**Transaction**").
- 1.2 BPC is a related party by virtue of it being a joint-venture company between BASF SE and PETRONAS Chemicals Group Berhad ("**PCGB**"), of which Petroliaam Nasional Berhad (PETRONAS) ("**PETRONAS**") has a 64.35% shareholding in PCGB. PETRONAS is a majority shareholder of both PGB and PCGB.

2.0 DETAILS OF RELATED PARTY TRANSACTION

- 2.1 PGB and BPC entered into an Agreement for the Sale and Purchase of Electricity dated 21 December 1998 and its supplementary agreements (collectively referred to as "**Electricity Agreement**").
- 2.2 Between the years 2018 and 2019, there were disputes between the Parties arising from the Electricity Agreement ("**Disputes**").
- 2.3 The Agreement provides for a full and final settlement of the Disputes between PGB and BPC, which includes inter alia, payment of RM 52 million by BPC.

3.0 RATIONALE

- 3.1 The Transaction is made in the ordinary course of business and has been negotiated and concluded on an arm's length basis and satisfies the following rationales:
 - 3.1.1 In the best interest of PGB;
 - 3.1.2 Fair, reasonable and on normal commercial terms;
 - 3.1.3 Not detrimental to the interest of the minority shareholders.
- 3.2 The settlement is supported by business opportunities between PGB and BPC and avoid prolonged dispute resolution processes which may lead to uncertainties in revenue recognition and financial expectations.

4.0 FINANCIAL EFFECTS OF THE TRANSACTION

- 4.1 Issued and Paid-Up Share Capital and Substantial Shareholders' Shareholdings.

The Transaction will not have any effect on PGB's issued share capital and substantial shareholders' shareholdings in PGB as there is no issuance of new ordinary shares in PGB.

4.2 Net Asset (“NA”), NA per Share, Earnings per Share and Gearing

The Transaction will not have a material effect on the Company’s consolidated NA, NA per share and gearing of PGB for the financial year ending 31st December 2025.

5.0 APPROVALS REQUIRED

The Transaction is not subject to the approval of the shareholders of PGB.

6.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

Save as disclosed below, none of the Directors, major shareholders, or persons connected to them have any interest, direct or indirect, in the transaction:

6.1 PETRONAS is a major shareholder of PGB with an equity interest of 51% and also a major shareholder of PCGB with an equity interest of 64.35%, which in turn has a 40% shareholding in BPC.

6.2 PETRONAS is therefore deemed as interested in the Transaction. The following Non-Independent Non-Executive Directors who are PETRONAS appointees on the Board of PGB have abstained from voting in this Transaction:

- (i) YBhg. Datuk Adif Zulkifli
- (ii) Encik Abdul Aziz Othman
- (iii) Puan Lim Li Ping

7.0 BOARD AUDIT COMMITTEE AND BOARD OF DIRECTORS’ STATEMENT

7.1 The Board Audit Committee is of the view that the Transaction is in the best interest of PGB and is fair, reasonable and based on normal commercial terms; and not detrimental to the interest of the minority shareholders.

7.2 The Board of Directors, having considered all aspects of the Transaction, including the rationale, is of the opinion that the Transaction is in the best interest of PGB.

8.0 TRANSACTION WITH THE SAME RELATED PARTY FOR THE PRECEDING 12-MONTHS

Save for this transaction, there were no other material transactions entered into between PGB with the same related party for the 12 months preceding the date of this announcement.

This announcement is made in compliance with Paragraphs, 10.08, and Appendices 10A and 10C of the MMLR.

This announcement is dated 15th July 2025